

# COMMITTEE REPORT

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## MADAM PRESIDENT:

**The Senate Committee on Finance, to which was referred House Bill No. 1001, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.141-2003,
- 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking
- 8 action resulting in any of the following rules:
- 9 (1) An order adopted by the commissioner of the Indiana
- 10 department of transportation under IC 9-20-1-3(d) or
- 11 IC 9-21-4-7(a) and designated by the commissioner as an
- 12 emergency rule.
- 13 (2) An action taken by the director of the department of natural
- 14 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- 15 (3) An emergency temporary standard adopted by the
- 16 occupational safety standards commission under
- 17 IC 22-8-1.1-16.1.
- 18 (4) An emergency rule adopted by the solid waste management
- 19 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 20 (5) A rule, other than a rule described in subdivision (6), adopted

- 1 by the department of financial institutions under IC 24-4.5-6-107
- 2 and declared necessary to meet an emergency.
- 3 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 4 department of financial institutions and declared necessary to meet
- 5 an emergency under IC 24-4.5-6-107.
- 6 (7) A rule adopted by the Indiana utility regulatory commission to
- 7 address an emergency under IC 8-1-2-113.
- 8 (8) An emergency rule jointly adopted by the water pollution
- 9 control board and the budget agency under IC 13-18-13-18.
- 10 (9) An emergency rule adopted by the state lottery commission
- 11 under IC 4-30-3-9.
- 12 (10) A rule adopted under IC 16-19-3-5 that the executive board
- 13 of the state department of health declares is necessary to meet an
- 14 emergency.
- 15 (11) An emergency rule adopted by the Indiana transportation
- 16 finance authority under IC 8-21-12.
- 17 (12) An emergency rule adopted by the insurance commissioner
- 18 under IC 27-1-23-7.
- 19 (13) An emergency rule adopted by the Indiana horse racing
- 20 commission under IC 4-31-3-9.
- 21 (14) An emergency rule adopted by the air pollution control board,
- 22 the solid waste management board, or the water pollution control
- 23 board under IC 13-15-4-10(4) or to comply with a deadline
- 24 required by federal law, provided:
- 25 (A) the variance procedures are included in the rules; and
- 26 (B) permits or licenses granted during the period the
- 27 emergency rule is in effect are reviewed after the emergency
- 28 rule expires.
- 29 (15) An emergency rule adopted by the Indiana election
- 30 commission under IC 3-6-4.1-14.
- 31 (16) An emergency rule adopted by the department of natural
- 32 resources under IC 14-10-2-5.
- 33 (17) An emergency rule adopted by the Indiana gaming
- 34 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 35 (18) An emergency rule adopted by the alcohol and tobacco
- 36 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 37 IC 7.1-3-20-24.4.
- 38 (19) An emergency rule adopted by the department of financial
- 39 institutions under IC 28-15-11.
- 40 (20) An emergency rule adopted by the office of the secretary of
- 41 family and social services under IC 12-8-1-12.

(21) An emergency rule adopted by the office of the children's health insurance program under IC 12-17.6-2-11.

(22) An emergency rule adopted by the office of Medicaid policy and planning under IC 12-15-41-15.

(23) An emergency rule adopted by the Indiana state board of animal health under IC 15-2.1-18-21.

(24) An emergency rule adopted by the board of directors of the Indiana education savings authority under IC 21-9-4-7.

(25) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-34.

(26) An emergency rule adopted by the department of local government finance under IC 6-1.1-4-33.

(27) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

**(28) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.**

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the

agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), **and except as provided in subsection (j),** a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), **(a)(25), (a)(26), or (a)(28),** the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. **Subject to subsection (j), a rule adopted under subsection (a)(25), (a)(26), or (a)(28) may be extended for an unlimited number of extension periods.** Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

**(j) A rule described in subsection (a)(25) or (a)(26) expires not later than January 1, 2006.**

SECTION 2. IC 5-13-10.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The treasurer of state may invest or reinvest funds that are held by the treasurer and that are available for investment in obligations issued by any of the following:

(1) Agencies or instrumentalities of the United States government.

(2) Federal government sponsored enterprises.

**(3) The Indiana bond bank, if the obligations are secured by tax anticipation time warrants or notes that:**

**(A) are issued by a political subdivision (as defined in**

1 **IC 36-1-2-13); and**

2 **(B) have a maturity date not later than the end of the**  
 3 **calendar year following the year of issuance.**

4 SECTION 3. IC 6-1.1-1-8.7 IS ADDED TO THE INDIANA CODE  
 5 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
 6 PASSAGE]: **Sec. 8.7. "Mobile home" has the meaning set forth in**  
 7 **IC 6-1.1-7-1.**

8 SECTION 4. IC 6-1.1-4-34, AS ADDED BY P.L.235-2003,  
 9 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 10 MAY 8, 2003 (RETROACTIVE)]: Sec. 34. (a) As used in this section,  
 11 "special master" refers to a person designated by the Indiana board  
 12 under subsection (e).

13 (b) The notice of reassessment under section 32(f) of this chapter  
 14 is subject to appeal by the taxpayer to the Indiana board. The  
 15 procedures and time limitations that apply to an appeal to the Indiana  
 16 board of a determination of the department of local government finance  
 17 do not apply to an appeal under this subsection. The Indiana board may  
 18 establish applicable procedures and time limitations under subsection (l).

19 (c) In order to appeal under subsection (b), the taxpayer must:

20 (1) request and participate as required in the informal hearing  
 21 process under section 33 of this chapter not later than forty-five  
 22 (45) days after the date of the notice of reassessment under  
 23 section 32(f) of this chapter;

24 (2) except as provided in section 33(i) of this chapter, receive a  
 25 notice of changed reassessment under section 33(g) of this  
 26 chapter; and

27 (3) file a petition for review with the appropriate county assessor  
 28 not later than thirty (30) days after the notice of the department of  
 29 local government finance is given to the taxpayer under section  
 30 ~~32(f)~~ **33(g)** of this chapter.

31 (d) The Indiana board may develop a form for petitions under  
 32 subsection (c) that:

33 (1) outlines:

34 (A) the appeal process;

35 (B) the burden of proof; and

36 (C) evidence necessary to warrant a change to a reassessment;  
 37 and

38 (2) describes:

39 (A) the increase in the property tax replacement credit; and

40 (B) other changes to the property tax system;

41 under P.L.192-2002(ss) that reduced the effect of general

1 reassessment on property tax liability.

2 (e) The Indiana board may contract with, appoint, or otherwise  
3 designate the following to serve as special masters to conduct  
4 evidentiary hearings and prepare reports required under subsection (g):

- 5 (1) Independent, licensed appraisers.
- 6 (2) Attorneys.
- 7 (3) Certified level two Indiana assessor-appraisers (including  
8 administrative law judges employed by the Indiana board).
- 9 (4) Other qualified individuals.

10 (f) Each contract entered into under subsection (e) must specify the  
11 appointee's compensation and entitlement to reimbursement for  
12 expenses. The compensation and reimbursement for expenses are paid  
13 from the county property reassessment fund. Payments under this  
14 subsection from the county property reassessment fund may not  
15 exceed five hundred thousand dollars (\$500,000).

16 (g) With respect to each petition for review filed under subsection  
17 (c), the special masters shall:

- 18 (1) set a hearing date;
- 19 (2) give notice of the hearing at least thirty (30) days before the  
20 hearing date, by mail, to:
  - 21 (A) the taxpayer;
  - 22 (B) the department of local government finance;
  - 23 (C) the township assessor; and
  - 24 (D) the county assessor;
- 25 (3) conduct a hearing and hear all evidence submitted under this  
26 section; and
- 27 (4) make evidentiary findings and file a report with the Indiana  
28 board.

29 (h) At the hearing under subsection (g):

- 30 (1) the taxpayer shall present:
  - 31 (A) its evidence that the reassessment is incorrect;
  - 32 (B) the method by which the taxpayer contends the  
33 reassessment is correctly determined; and
  - 34 (C) comparable sales, appraisals, or other pertinent information  
35 concerning valuation as required by the Indiana board; and
- 36 (2) the department of local government finance shall present its  
37 evidence that the reassessment is correct.

38 (i) The Indiana board may dismiss a petition for review filed under  
39 subsection (c) if the evidence and other information required under  
40 subsection (h)(1) is not provided at the hearing under subsection (g).

41 (j) The township assessor and the county assessor may attend and

1 participate in the hearing under subsection (g).

2 (k) The Indiana board may:

3 (1) consider the report of the special masters under subsection  
4 (g)(4);

5 (2) make a final determination based on the findings of the special  
6 masters without:

7 (A) conducting a hearing; or

8 (B) any further proceedings; and

9 (3) incorporate the findings of the special masters into the board's  
10 findings in resolution of the appeal.

11 (l) The Indiana board may adopt emergency rules under  
12 IC 4-22-2-37.1 to:

13 (1) establish procedures to expedite:

14 (A) the conduct of hearings under subsection (g); and

15 (B) the issuance of determinations of appeals under subsection  
16 (b); and

17 (2) establish deadlines:

18 (A) for conducting hearings under subsection (g); and

19 (B) for issuing determinations of appeals under subsection (b).

20 (m) A determination by the Indiana board of an appeal under  
21 subsection (b) is subject to appeal to the tax court under IC 6-1.1-15.

22 (n) This section expires December 31, 2005.

23 SECTION 5. IC 6-1.1-4-35 IS ADDED TO THE INDIANA CODE  
24 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
25 PASSAGE]: **Sec. 35. (a) This section applies to a county other than  
26 a county subject to section 32 of this chapter.**

27 **(b) This section applies to a general reassessment of real  
28 property conducted under section 4(a) of this chapter that is  
29 scheduled to become effective for property taxes first due and  
30 payable in 2003.**

31 **(c) As used in this section, "department" refers to the  
32 department of local government finance.**

33 **(d) As used in this section, "reassessment official" means any  
34 of the following:**

35 **(1) A county assessor.**

36 **(2) A township assessor.**

37 **(3) A township trustee-assessor.**

38 **(e) If:**

39 **(1) the department determines that a county's reassessment  
40 officials are unable to complete the reassessment in a timely**

1 manner; or

2 (2) the department determines that a county's reassessment  
3 officials are likely to complete the reassessment in an  
4 inaccurate manner;

5 the department may order a state conducted reassessment in the  
6 county. The department may consider a reassessment in a county  
7 untimely if the county does not submit the county's equalization  
8 study to the department in the manner prescribed under 50  
9 IAC 14 before October 20, 2003. The department may consider the  
10 reassessment work of a county's reassessment officials inaccurate  
11 if the department determines from a sample of the assessments  
12 completed in the county that there is a variance exceeding ten  
13 percent (10%) between the total assessed valuation of the real  
14 property within the sample and the total assessed valuation that  
15 would result if the real property within the sample were valued in  
16 the manner provided by law.

17 (f) If the department orders a state conducted reassessment in  
18 a county, the department shall assume the duties of the county's  
19 reassessment officials. Notwithstanding sections 15 and 17 of this  
20 chapter, a reassessment official in a county subject to an order  
21 issued under this section may not assess property or have  
22 property assessed for the general reassessment. Until the state  
23 conducted reassessment is completed under this section, the  
24 reassessment duties of a reassessment official in the county are  
25 limited to providing the department or a contractor of the  
26 department the support and information requested by the  
27 department or the contractor.

28 (g) Before assuming the duties of a county's reassessment  
29 officials, the department shall transmit a copy of the department's  
30 order requiring a state conducted reassessment to the county's  
31 reassessment officials, the county fiscal body, the county auditor,  
32 and the county treasurer. Notice of the department's actions must  
33 be published one (1) time in a newspaper of general circulation  
34 published in the county. The department is not required to  
35 conduct a public hearing before taking action under this section.

36 (h) Township and county officials in a county subject to an  
37 order issued under this section shall, at the request of the  
38 department or the department's contractor, make available and  
39 provide access to all:



- (1) data;**
- (2) records;**
- (3) maps;**
- (4) parcel record cards;**
- (5) forms;**
- (6) computer software systems;**
- (7) computer hardware systems; and**
- (8) other information;**

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and**
- (2) shall be treated as the contract of the department.**

(j) After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (i), the department shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment:

- (1) is subject to appeal by the taxpayer under section 37 of this chapter; and**
- (2) must include a statement of the taxpayer's rights under section 37 of this chapter.**

(k) The department shall forward a bill for services provided under a contract described in subsection (i) to the auditor of the county in which the state conducted reassessment occurs. The county shall pay the bill under the procedures prescribed by subsection (l).

(l) A county subject to an order issued under this section shall

1 pay the cost of a contract described in subsection (i), without  
 2 appropriation, from the county's property reassessment fund. A  
 3 contractor may periodically submit bills for partial payment of  
 4 work performed under the contract. Notwithstanding any other  
 5 law, a contractor is entitled to payment under this subsection for  
 6 work performed under a contract if the contractor:

7 (1) submits to the department a fully itemized, certified bill  
 8 in the form required by IC 5-11-10-1 for the costs of the  
 9 work performed under the contract;

10 (2) obtains from the department:

11 (A) approval of the form and amount of the bill; and

12 (B) a certification that the billed goods and services have  
 13 been received and comply with the contract; and

14 (3) files with the county auditor:

15 (A) a duplicate copy of the bill submitted to the  
 16 department;

17 (B) proof of the department's approval of the form and  
 18 amount of the bill; and

19 (C) the department's certification that the billed goods  
 20 and services have been received and comply with the  
 21 contract.

22 The department's approval and certification of a bill under  
 23 subdivision (2) shall be treated as conclusively resolving the  
 24 merits of a contractor's claim. Upon receipt of the documentation  
 25 described in subdivision (3), the county auditor shall immediately  
 26 certify that the bill is true and correct without further audit,  
 27 publish the claim as required by IC 36-2-6-3, and submit the claim  
 28 to the county executive. The county executive shall allow the  
 29 claim, in full, as approved by the department, without further  
 30 examination of the merits of the claim in a regular or special  
 31 session that is held not less than three (3) days and not more than  
 32 seven (7) days after the completion of the publication  
 33 requirements under IC 36-2-6-3. Upon allowance of the claim by  
 34 the county executive, the county auditor shall immediately issue  
 35 a warrant or check for the full amount of the claim approved by  
 36 the department. Compliance with this subsection constitutes  
 37 compliance with section 28.5 of this chapter, IC 5-11-6-1,  
 38 IC 5-11-10, and IC 36-2-6. The determination and payment of a  
 39 claim in compliance with this subsection is not subject to

1 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not  
 2 apply to a claim submitted under this subsection. IC 5-11-10-1.6(d)  
 3 applies to a fiscal officer who pays a claim in compliance with this  
 4 subsection.

5 (m) Notwithstanding IC 4-13-2, a period of seven (7) days is  
 6 permitted for each of the following to review and act under  
 7 IC 4-13-2 on a contract of the department entered into under this  
 8 section:

9 (1) The commissioner of the Indiana department of  
 10 administration.

11 (2) The director of the budget agency.

12 (3) The attorney general.

13 (n) If the money in a county's property reassessment fund is  
 14 insufficient to pay for a reassessment conducted under this  
 15 section, the department may increase the tax rate and tax levy of  
 16 the county's property reassessment fund to pay the cost and  
 17 expenses related to the reassessment.

18 (o) The department or the contractor of the department shall  
 19 use the land values determined under section 13.6 of this chapter  
 20 for a county subject to an order issued under this section to the  
 21 extent that the department or the contractor finds that the land  
 22 values reflect the true tax value of land, as determined under this  
 23 article and the rules of the department. If the department or the  
 24 contractor finds that the land values determined for the county  
 25 under section 13.6 of this chapter do not reflect the true tax value  
 26 of land, the department or the contractor shall determine land  
 27 values for the county that reflect the true tax value of land, as  
 28 determined under this article and the rules of the department.  
 29 Land values determined under this subsection shall be used to the  
 30 same extent as if the land values had been determined under  
 31 section 13.6 of this chapter. The department or the contractor of  
 32 the department shall notify the county's reassessment officials of  
 33 the land values determined under this subsection.

34 (p) A contractor of the department may notify the department  
 35 if:

36 (1) a county auditor fails to:

37 (A) certify the contractor's bill;

38 (B) publish the contractor's claim;

39 (C) submit the contractor's claim to the county executive;

1                   or

2                   (D) issue a warrant or check for payment of the

3                   contractor's bill;

4                   as required by subsection (l) at the county auditor's first

5                   legal opportunity to do so;

6                   (2) a county executive fails to allow the contractor's claim as

7                   legally required by subsection (l) at the county executive's

8                   first legal opportunity to do so; or

9                   (3) a person or an entity authorized to act on behalf of the

10                  county takes or fails to take an action, including failure to

11                  request an appropriation, and that action or failure to act

12                  delays or halts progress under this section for payment of the

13                  contractor's bill.

14                  (q) The department, upon receiving notice under subsection (p)

15                  from a contractor of the department, shall:

16                   (1) verify the accuracy of the contractor's assertion in the

17                   notice that:

18                   (A) a failure occurred as described in subsection (p)(1) or

19                   (p)(2); or

20                   (B) a person or an entity acted or failed to act as described

21                   in subsection (p)(3); and

22                   (2) provide to the treasurer of state the department's

23                   approval under subsection (l)(2)(A) of the contractor's bill

24                   with respect to which the contractor gave notice under

25                   subsection (p).

26                  (r) Upon receipt of the department's approval of a contractor's

27                  bill under subsection (q), the treasurer of state shall pay the

28                  contractor the amount of the bill approved by the department

29                  from money in the possession of the state that would otherwise be

30                  available for distribution to the county, including distributions

31                  from the property tax replacement fund or distribution of

32                  admissions taxes or wagering taxes.

33                  (s) The treasurer of state shall withhold from the money that

34                  would be distributed under IC 4-33-12-6, IC 4-33-13-5,

35                  IC 6-1.1-21-4(b) or any other law to a county described in a notice

36                  provided under subsection (p) the amount of a payment made by

37                  the treasurer of state to the contractor of the department under

38                  subsection (r). Money shall be withheld first from the money

39                  payable to the county under IC 6-1.1-21-4(b) and then from all

1 other sources payable to the county.

2 (t) Compliance with subsections (p) through (s) constitutes  
3 compliance with IC 5-11-10.

4 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with  
5 respect to the payment made in compliance with subsections (p)  
6 through (s). This subsection and subsections (p) through (s) must  
7 be interpreted liberally so that the state shall, to the extent legally  
8 valid, ensure that the contractual obligations of a county subject  
9 to this section are paid. Nothing in this section shall be construed  
10 to create a debt of the state.

11 (v) The provisions of this section are severable as provided in  
12 IC 1-1-1-8(b).

13 (w) This section expires January 1, 2007.

14 SECTION 6. IC 6-1.1-4-36 IS ADDED TO THE INDIANA CODE  
15 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
16 PASSAGE]: Sec. 36. (a) Subject to the other requirements of this  
17 section, the department of local government finance may:

18 (1) negotiate an addendum to a contract referred to in  
19 section 35(i) of this chapter that is treated as a contract of  
20 the department; or

21 (2) include provisions in a contract entered into by the  
22 department under section 35(i) of this chapter;

23 to require the contractor of the department to represent the  
24 department in appeals initiated under section 37 of this chapter  
25 and to afford to each taxpayer in the county an opportunity to  
26 attend an informal hearing.

27 (b) The purpose of the informal hearing referred to in  
28 subsection (a) is to:

29 (1) discuss the specifics of the taxpayer's reassessment;

30 (2) review the taxpayer's property record card;

31 (3) explain to the taxpayer how the reassessment was  
32 determined;

33 (4) provide to the taxpayer information about the statutes,  
34 rules, and guidelines that govern the determination of the  
35 reassessment;

36 (5) note and consider objections of the taxpayer;

37 (6) consider all errors alleged by the taxpayer; and

38 (7) otherwise educate the taxpayer about:

39 (A) the taxpayer's reassessment;

- 1                   **(B) the reassessment process; and**
- 2                   **(C) the reassessment appeal process under section 37 of**
- 3                   **this chapter.**

4           **(c) Following an informal hearing referred to in subsection (b),**  
 5           **the contractor shall:**

6                   **(1) make a recommendation to the department of local**  
 7                   **government finance as to whether a change in the**  
 8                   **reassessment is warranted; and**

9                   **(2) if recommending a change under subdivision (1), provide**  
 10                  **to the department a statement of:**

11                   **(A) how the changed reassessment was determined; and**

12                   **(B) the amount of the changed reassessment.**

13           **(d) To preserve the right to appeal under section 37 of this**  
 14           **chapter, a taxpayer must initiate the informal hearing process by**  
 15           **notifying the department of local government finance or its**  
 16           **designee of the taxpayer's intent to participate in an informal**  
 17           **hearing referred to in subsection (b) not later than forty-five (45)**  
 18           **days after the department of local government finance gives**  
 19           **notice under section 35(j) of this chapter to taxpayers of the**  
 20           **amount of the reassessment.**

21           **(e) The informal hearings referred to in subsection (b) must be**  
 22           **conducted:**

23                   **(1) in the county where the property is located; and**

24                   **(2) in a manner determined by the department of local**  
 25                   **government finance.**

26           **(f) The department of local government finance shall:**

27                   **(1) consider the recommendation of the contractor under**  
 28                   **subsection (c); and**

29                   **(2) if the department accepts a recommendation that a**  
 30                   **change in the reassessment is warranted, accept or modify**  
 31                   **the recommended amount of the changed reassessment.**

32           **(g) The department of local government finance shall send a**  
 33           **notice of the result of each informal hearing to:**

34                   **(1) the taxpayer;**

35                   **(2) the county auditor;**

36                   **(3) the county assessor; and**

37                   **(4) the township assessor of the township in which the**  
 38                   **property is located.**

39           **(h) A notice under subsection (g) must:**

**(1) state whether the reassessment was changed as a result of the informal hearing; and**

**(2) if the reassessment was changed as a result of the informal hearing:**

**(A) indicate the amount of the changed reassessment; and**

**(B) provide information on the taxpayer's right to appeal under section 37 of this chapter.**

**(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the reassessment under section 32(f) of this chapter:**

**(1) the department may not change the amount of the reassessment under the informal hearing process described in this section; and**

**(2) the taxpayer may appeal the reassessment under section 37 of this chapter.**

**(j) The department of local government finance may adopt emergency rules to establish procedures for informal hearings under this section.**

**(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under section 35(k) of this chapter.**

**(l) This section expires January 1, 2007.**

**SECTION 7. IC 6-1.1-4-37 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).**

**(b) The notice of reassessment under section 35(j) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).**

**(c) In order to appeal under subsection (b), the taxpayer must:**

**(1) participate in the informal hearing process under section 36 of this chapter;**

**(2) except as provided in section 36(i) of this chapter, receive**

1 a notice under section 36(g) of this chapter; and

2 (3) file a petition for review with the appropriate county  
3 assessor not later than thirty (30) days after:

4 (A) the date of the notice to the taxpayer under section  
5 36(g) of this chapter; or

6 (B) the date after which the department may not change  
7 the amount of the reassessment under the informal  
8 hearing process described in section 36 of this chapter.

9 (d) The Indiana board may develop a form for petitions under  
10 subsection (c) that outlines:

11 (1) the appeal process;

12 (2) the burden of proof; and

13 (3) evidence necessary to warrant a change to a  
14 reassessment.

15 (e) The Indiana board may contract with, appoint, or otherwise  
16 designate the following to serve as special masters to conduct  
17 evidentiary hearings and prepare reports required under  
18 subsection (g):

19 (1) Independent, licensed appraisers.

20 (2) Attorneys.

21 (3) Certified level two Indiana assessor-appraisers (including  
22 administrative law judges employed by the Indiana board).

23 (4) Other qualified individuals.

24 (f) Each contract entered into under subsection (e) must specify  
25 the appointee's compensation and entitlement to reimbursement  
26 for expenses. The compensation and reimbursement for expenses  
27 are paid from the county property reassessment fund. Payments  
28 under this subsection from the county property reassessment fund  
29 may not exceed five hundred thousand dollars (\$500,000).

30 (g) With respect to each petition for review filed under  
31 subsection (c), the special masters shall:

32 (1) set a hearing date;

33 (2) give notice of the hearing at least thirty (30) days before  
34 the hearing date, by mail, to:

35 (A) the taxpayer;

36 (B) the department of local government finance;

37 (C) the township assessor; and

38 (D) the county assessor;

39 (3) conduct a hearing and hear all evidence submitted under



1           **this section; and**

2           **(4) make evidentiary findings and file a report with the**  
 3           **Indiana board.**

4           **(h) At the hearing under subsection (g):**

5           **(1) the taxpayer shall present:**

6               **(A) the taxpayer's evidence that the reassessment is**  
 7               **incorrect;**

8               **(B) the method by which the taxpayer contends the**  
 9               **reassessment should be correctly determined; and**

10              **(C) comparable sales, appraisals, or other pertinent**  
 11              **information concerning valuation as required by the**  
 12              **Indiana board; and**

13           **(2) the department of local government finance shall present**  
 14           **its evidence that the reassessment is correct.**

15           **(i) The Indiana board may dismiss a petition for review filed**  
 16           **under subsection (c) if the evidence and other information**  
 17           **required under subsection (h)(1) is not provided at the hearing**  
 18           **under subsection (g).**

19           **(j) The township assessor and the county assessor may attend**  
 20           **and participate in the hearing under subsection (g).**

21           **(k) The Indiana board may:**

22               **(1) consider the report of the special masters under**  
 23               **subsection (g)(4);**

24               **(2) make a final determination based on the findings of the**  
 25               **special masters without:**

26                   **(A) conducting a hearing; or**

27                   **(B) any further proceedings; and**

28               **(3) incorporate the findings of the special masters into the**  
 29               **board's findings in resolution of the appeal.**

30           **(l) The Indiana board may adopt emergency rules under**  
 31           **IC 4-22-2-37.1 to:**

32               **(1) establish procedures to expedite:**

33                   **(A) the conduct of hearings under subsection (g); and**

34                   **(B) the issuance of determinations of appeals under**  
 35                   **subsection (k); and**

36               **(2) establish deadlines:**

37                   **(A) for conducting hearings under subsection (g); and**

38                   **(B) for issuing determinations of appeals under subsection**  
 39                   **(k).**

1        **(m) A determination by the Indiana board of an appeal under**  
 2        **subsection (k) is subject to appeal to the tax court under**  
 3        **IC 6-1.1-15.**

4        **(n) This section expires January 1, 2007.**

5        SECTION 8. IC 6-1.1-4-38 IS ADDED TO THE INDIANA CODE  
 6        AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
 7        PASSAGE]: **Sec. 38. (a) As used in this section, "qualifying**  
 8        **county" means a county in which the department of local**  
 9        **government finance, under section 35 of this chapter, conducts**  
 10        **the general reassessment scheduled to become effective under**  
 11        **section 4(a) of this chapter for property taxes first due and**  
 12        **payable in 2003.**

13        **(b) As used in this section, "contractor" means a reassessment**  
 14        **contractor of the department of local government finance that is**  
 15        **conducting a county's general reassessment under section 35 of**  
 16        **this chapter.**

17        **(c) As used in this section, "qualifying official" refers to any of**  
 18        **the following:**

19            **(1) A county assessor of a qualifying county.**

20            **(2) A township assessor of a qualifying county.**

21            **(3) The county auditor of a qualifying county.**

22            **(4) The treasurer of a qualifying county.**

23            **(5) The county surveyor of a qualifying county.**

24            **(6) A member of the land valuation commission in a**  
 25            **qualifying county.**

26            **(7) Any other township or county official in a qualifying**  
 27            **county who has possession or control of information**  
 28            **necessary or useful for a general reassessment, general**  
 29            **reassessment review, or special reassessment of property to**  
 30            **which section 35 of this chapter applies, including**  
 31            **information in the possession or control of an employee or a**  
 32            **contractor of the official.**

33            **(8) Any county official in a qualifying county who has control,**  
 34            **review, or other responsibilities related to paying claims of a**  
 35            **contractor submitted for payment under section 35 of this**  
 36            **chapter.**

37        **(d) Upon petition from the department of local government**  
 38        **finance or a contractor, the tax court may order a qualifying**  
 39        **official to produce information requested in writing from the**

1       **qualifying official by the department of local government finance**  
 2       **or a contractor.**

3       **(e) If the tax court orders a qualifying official to provide**  
 4       **requested information as described in subsection (d), the tax court**  
 5       **shall order production of the information not later than fourteen**  
 6       **(14) days after the date of the tax court's order.**

7       **(f) The tax court may find that any willful violation of this**  
 8       **section by a qualifying official constitutes a direct contempt of the**  
 9       **tax court.**

10       **(g) This section expires January 1, 2007.**

11       SECTION 9. IC 6-1.1-4-39 IS ADDED TO THE INDIANA CODE  
 12       AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON  
 13       PASSAGE]: **Sec. 39. (a) For assessment dates after February 28,**  
 14       **2005, except as provided in subsection (c), the true tax value of**  
 15       **real property regularly used to rent or otherwise furnish**  
 16       **residential accommodations for periods of thirty (30) days or more**  
 17       **and that has more than four (4) rental units is the lowest**  
 18       **valuation determined by applying each of the following appraisal**  
 19       **approaches:**

20               **(1) Cost approach that includes an estimated reproduction or**  
 21               **replacement cost of buildings and land improvements as of**  
 22               **the date of valuation together with estimates of the losses in**  
 23               **value that have taken place due to wear and tear, design and**  
 24               **plan, or neighborhood influences.**

25               **(2) Sales comparison approach, using data for generally**  
 26               **comparable property.**

27               **(3) Income capitalization approach, using an applicable**  
 28               **capitalization method and appropriate capitalization rates**  
 29               **that are developed and used in computations that lead to an**  
 30               **indication of value commensurate with the risks for the**  
 31               **subject property use.**

32       **(b) The gross rent multiplier method is the preferred method**  
 33       **of valuing:**

34               **(1) real property that has at least one (1) and not more than**  
 35               **four (4) rental units; and**

36               **(2) mobile homes assessed under IC 6-1.1-7.**

37       **(c) A township assessor is not required to appraise real property**  
 38       **referred to in subsection (a) using the three (3) appraisal**  
 39       **approaches listed in subsection (a) if the township assessor and**

1     **the taxpayer agree before notice of the assessment is given to the**  
 2     **taxpayer under section 22 of this chapter to the determination of**  
 3     **the true tax value of the property by the assessor using one (1) of**  
 4     **those appraisal approaches.**

5     **(d) To carry out this section, the department of local**  
 6     **government finance may adopt rules for assessors to use in**  
 7     **gathering and processing information for the application of the**  
 8     **income capitalization method and the gross rent multiplier**  
 9     **method. A taxpayer must verify under penalties for perjury any**  
 10    **information provided to the assessor for use in the application of**  
 11    **either method.**

12    SECTION 10. IC 6-1.1-5.5-3, AS AMENDED BY P.L.245-2003,  
 13    SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 14    UPON PASSAGE]: Sec. 3. (a) Before filing a conveyance document  
 15    with the county auditor under IC 6-1.1-5-4, all the parties to the  
 16    conveyance must complete and sign a sales disclosure form as  
 17    prescribed by the department of local government finance under section  
 18    5 of this chapter. All the parties may sign one (1) form, or if all the  
 19    parties do not agree on the information to be included on the completed  
 20    form, each party may sign and file a separate form.

21    (b) Except as provided in subsection (c), the auditor shall forward  
 22    each sales disclosure form to the county assessor. The county assessor  
 23    shall retain the forms for five (5) years. The county assessor shall  
 24    forward the sales disclosure form data to the department of local  
 25    government finance and the legislative services agency:

26       **(1) before January 1, 2005, in an electronic format, if possible;**

27       **and**

28       **(2) after December 31, 2004, in an electronic format specified**  
 29       **jointly by the department of local government finance and**  
 30       **the legislative services agency.**

31    The county assessor shall forward a copy of the sales disclosure forms  
 32    to the township assessors in the county. The forms may be used by the  
 33    county assessing officials, the department of local government finance,  
 34    and the legislative services agency for the purposes established in  
 35    IC 6-1.1-4-13.6, sales ratio studies, equalization, **adoption of rules**  
 36    **under IC 6-1.1-31-3 and IC 6-1.1-31-6**, and any other authorized  
 37    purpose.

38    (c) In a county containing a consolidated city, the auditor shall  
 39    forward the sales disclosure form to the appropriate township assessor.  
 40    The township assessor shall forward the sales disclosure form to the

department of local government finance and the legislative services agency:

(1) before January 1, 2005, in an electronic format, if possible;

and

(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The township assessor shall forward a copy of the sales disclosure forms to the township assessors in the county. The forms may be used by the county assessing officials, the department of local government finance, and the legislative services agency for the purposes established in IC 6-1.1-4-13.6, sales ratio studies, equalization, **adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6**, and any other authorized purpose.

SECTION 11. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.90-2002, SECTION 53, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 4.7. (a) The assessment training fund is established for the purpose of receiving fees deposited under section 4 of this chapter. **Money in the fund may be used by the department of local government finance to cover expenses incurred in the development and administration of programs** for the training of assessment officials and employees of the department, ~~of local government finance~~, **including the examination and certification program required by IC 6-1.1-35.5.** The fund shall be administered by the treasurer of state.

(b) The expenses of administering the fund shall be paid from money in the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund.

**(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund.**

SECTION 12. IC 6-1.1-7-2, AS AMENDED BY P.L.90-2002, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department of local government finance may adopt rules in order to provide a method for assessing mobile homes. These rules must be consistent with this article, **including the factors required under IC 6-1.1-31-7.**

SECTION 13. IC 6-1.1-9-1 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. If a township assessor, county assessor, or county property tax assessment board of appeals believes that any taxable tangible property has been omitted from or undervalued on the assessment rolls or the tax duplicate for any year or years, the official or board shall give written notice under IC 6-1.1-3-20 or IC 6-1.1-4-22 of the assessment or increase in assessment. The notice shall contain a general description of the property and a statement describing the taxpayer's right to ~~file a petition~~ **for a preliminary conference and to a review** with the county property tax assessment board of appeals under IC 6-1.1-15-1.

SECTION 14. IC 6-1.1-15-1, AS AMENDED BY P.L.178-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. ~~The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals.~~ At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for review under this section, **including an informal preliminary conference with the county or township official referred to in this subsection;** and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must ~~file a petition with the assessor of the county in which the action is taken;~~ **request in writing a preliminary conference with the county or township official referred to in subsection (a):**

(1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

(2) May 10 of that year;

whichever is later. The county ~~assessor or township official referred to in subsection (a)~~ **shall notify the county auditor that the assessment is under appeal. The preliminary conference required under this subsection is a prerequisite to a review by the county property tax assessment board of appeals under subsection (i).**

(c) A change in an assessment made as a result of an appeal filed:

(1) in the same year that notice of a change in the assessment is

1 given to the taxpayer; and

2 (2) after the time prescribed in subsection (b);

3 becomes effective for the next assessment date.

4 (d) A taxpayer may appeal a current real property assessment in a  
5 year even if the taxpayer has not received a notice of assessment in the  
6 year. If an appeal is filed on or before May 10 of a year in which the  
7 taxpayer has not received notice of assessment, a change in the  
8 assessment resulting from the appeal is effective for the most recent  
9 assessment date. If the appeal is filed after May 10, the change  
10 becomes effective for the next assessment date.

11 **(e) The written request for a preliminary conference that is**  
12 **required under subsection (b) must include the following**  
13 **information:**

14 (1) The name of the taxpayer.

15 (2) The address and parcel or key number of the property.

16 (3) The address and telephone number of the taxpayer.

17 (e) The department of local government finance shall prescribe the  
18 form of the petition for review of an assessment determination by a  
19 township assessor. The department shall issue instructions for  
20 completion of the form. The form and the instructions must be clear,  
21 simple, and understandable to the average individual. An appeal of such  
22 a determination must be made on the form prescribed by the  
23 department. The form must require the petitioner to specify the  
24 following:

25 (1) The physical characteristics of the property in issue that bear  
26 on the assessment determination.

27 (2) All other facts relevant to the assessment determination.

28 (3) The reasons why the petitioner believes that the assessment  
29 determination by the township assessor is erroneous.

30 (f) The department of local government finance shall prescribe a  
31 form for a response by the township assessor to the petition for review  
32 of an assessment determination. The department shall issue instructions  
33 for completion of the form. The form must require the township  
34 assessor to indicate:

35 (1) agreement or disagreement with each item indicated on the  
36 petition under subsection (e); and

37 (2) the reasons why the assessor believes that the assessment  
38 determination is correct.

39 (g) Immediately upon receipt of a timely filed petition on the form  
40 prescribed under subsection (e), the county assessor shall forward a  
41 copy of the petition to the township assessor who made the challenged

~~assessment.~~ (f) The ~~township assessor~~ county or township official referred to in subsection (a) shall, within thirty (30) days after the receipt of the ~~petition~~, a written request for a preliminary conference, attempt to hold a preliminary conference with the ~~petitioner and taxpayer~~ to resolve as many issues as possible by:

- (1) discussing the specifics of the taxpayer's reassessment;
- (2) reviewing the taxpayer's property record card;
- (3) explaining to the taxpayer how the reassessment was determined;
- (4) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the reassessment;
- (5) noting and considering objections of the taxpayer;
- (6) considering all errors alleged by the taxpayer; and
- (7) otherwise educating the taxpayer about:
  - (A) the taxpayer's reassessment;
  - (B) the reassessment process; and
  - (C) the reassessment appeal process.

Within ten (10) days after the conference, the ~~township assessor~~ county or township official referred to in subsection (a) shall forward to the county auditor and ~~county assessor~~ a completed response to the petition on the form prescribed under subsection (f). ~~The county assessor shall immediately forward a copy of the response form to the petitioner and~~ the county property tax assessment board of appeals the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The official and the taxpayer shall each retain a copy of the form for their records.

(g) The form submitted to the county property tax assessment board of appeals under subsection (f) must specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) A list of the reasons the taxpayer believes that the assessment determination by the county or township official referred to in subsection (a) is incorrect.
- (4) An indication of the agreement or disagreement by the official with each item listed under subdivision (3).
- (5) The reasons the official believes that the assessment



determination is correct.

(h) If after the conference there are no items listed in the petition on the form submitted to the county property tax assessment board of appeals under subsection (f) on which there is disagreement:

(1) the township assessor county or township official referred to in subsection (a) shall give notice to the petitioner, taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the petitioner taxpayer and the township assessor; official; and

(2) the county property tax assessment board of appeals may reserve the right to change the assessment under ~~IC 6-1.1-9~~

**IC 6-1.1-13.**

(i) If after the conference there are items listed in the petition form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in subsections (k) and (l), the hearing must be held within ninety (90) days of the filing of the petition on those items of disagreement except as provided in subsections (h) and (i). official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county or township official referred to in subsection (a) must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the petitioner's taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing, except as provided in subsections (h) (k) and (i). If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing. (l).

(j) If the township assessor does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose

original determination is under review are parties to the proceeding before the board of appeals. The hearing must be held within ninety (90) days of the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

(1) participation in the hearing by the taxpayer and the township assessor or county assessor; and

(2) the procedures to be followed by the county board; apply to a hearing held under this subsection.

~~(h)~~ (k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

~~(i)~~ (l) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

~~(j)~~ (m) The county property tax assessment board of appeals:

(1) may not require a taxpayer ~~that files a petition for review under this section~~ to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection ~~(g)~~; (i) or (j); and

(2) may ~~require the parties to the appeal to file not more than ten (10) days before the date of the hearing required under subsection (g) lists of witnesses and exhibits to be introduced at the hearing;~~ amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

SECTION 15. IC 6-1.1-15-2.1, AS AMENDED BY P.L.198-2001,

SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. (a) The county property tax assessment board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by mail, give notice of the date fixed for the hearing under section 1 of this chapter to the ~~petitioner~~, **taxpayer** and to the township assessor.

~~(c) If a petition for review does not comply with the department of local government finance's instructions for completing the form prescribed under section 1(c) of this chapter, the county assessor shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition or statement with the county assessor that the petitioner believes the petition is not defective. If a statement is filed or the county assessor believes a corrected petition is not in compliance with section 1(c) of this chapter, the assessor shall forward the statement or corrected petition to the county property tax assessment board of appeals. Within ten (10) days after receiving the statement or petition, the county property tax assessment board of appeals shall determine if the original or corrected petition is still not in compliance. The county property tax assessment board of appeals shall deny an original or a corrected petition for review if it does not substantially comply with the department of local government finance's instructions for completing the form prescribed under section 1(c) of this chapter.~~

~~(d)~~ (c) The department of local government finance shall prescribe a form for use by the county property tax assessment board of appeals in processing ~~petitions for a review of an assessment determinations.~~ **determination.** The department shall issue instructions for completion of the form. The form must require the county property tax assessment board of appeals to include a record of the hearing, findings on each item, and indicate agreement or disagreement with each item that is

~~(1) indicated on the petition form submitted by the taxpayer and the county or township official under section 1(c) 1(f) of this chapter. and~~

~~(2) included in the township assessor's response under section 1(g) of this chapter.~~

The form must also require the county property tax assessment board of appeals to indicate the issues in dispute for each item and its reasons in support of its resolution of those issues.

~~(e)~~ (d) After the hearing the county property tax assessment board of appeals shall, by mail, give notice of its determination to the

~~petitioner, taxpayer~~, the township assessor, and the county assessor and shall include with the notice copies of the forms completed under subsection ~~(d)~~. **(c)**.

SECTION 16. IC 6-1.1-15-3, AS AMENDED BY P.L.256-2003, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) A taxpayer may obtain a review by the Indiana board of a county property tax assessment board of appeals action with respect to the assessment of that taxpayer's tangible property if the county property tax assessment board of appeals' action requires the giving of notice to the taxpayer. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original determination under appeal under this section is a party to the review under this section to defend the determination. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the taxpayer's opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) A township assessor or county assessor may obtain a review by the Indiana board of any assessment which the township assessor or the county assessor has made, upon which the township assessor or the county assessor has passed, or which has been made over the township assessor's or the county assessor's protest.

(c) In order to obtain a review by the Indiana board under this section, the party must file a petition for review with the appropriate county assessor within thirty (30) days after the notice of the county property tax assessment board of appeals action is given to the taxpayer.

(d) The Indiana board shall prescribe the form of the petition for review of an assessment determination by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the Indiana board. The form must require the petitioner to specify the following:

- (1) **If the county or township official held a preliminary conference under section 1(f) of this chapter**, the items listed in section ~~1(c)(1)~~ **1(g)(1)** and ~~1(c)(2)~~ **1(g)(2)** of this chapter.
- (2) The reasons why the petitioner believes that the assessment

1 determination by the county property tax assessment board of  
2 appeals is erroneous.

3 (e) The county assessor shall transmit the petition for review to the  
4 Indiana board within ten (10) days after it is filed.

5 (f) If a township assessor or a member of the county property tax  
6 assessment board of appeals files a petition for review under this  
7 section concerning the assessment of a taxpayer's property, the county  
8 assessor must send a copy of the petition to the taxpayer.

9 SECTION 17. IC 6-1.1-15-4, AS AMENDED BY P.L.245-2003,  
10 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review  
12 which is filed under section 3 of this chapter, the Indiana board shall  
13 conduct a hearing at its earliest opportunity. The Indiana board may:

14 (1) assign:

15 (A) full;

16 (B) limited; or

17 (C) no;

18 evidentiary value to the assessed valuation of tangible property  
19 determined by stipulation submitted as evidence of a comparable  
20 sale; and

21 (2) correct any errors that may have been made, and adjust the  
22 assessment in accordance with the correction.

23 If the Indiana board conducts a site inspection of the property as part  
24 of its review of the petition, the Indiana board shall give notice to all  
25 parties of the date and time of the site inspection. The Indiana board is  
26 not required to assess the property in question. The Indiana board shall  
27 give notice of the date fixed for the hearing, by mail, to the taxpayer and  
28 to the appropriate township assessor, county assessor, and county  
29 auditor. The Indiana board shall give these notices at least thirty (30)  
30 days before the day fixed for the hearing. The property tax assessment  
31 board of appeals that made the determination under appeal under this  
32 section may, with the approval of the county executive, file an amicus  
33 curiae brief in the review proceeding under this section. The expenses  
34 incurred by the property tax assessment board of appeals in filing the  
35 amicus curiae brief shall be paid from the property reassessment fund  
36 under IC 6-1.1-4-27.5. The executive of a taxing unit may file an  
37 amicus curiae brief in the review proceeding under this section if the  
38 property whose assessment is under appeal is subject to assessment by  
39 that taxing unit.

40 (b) If a petition for review does not comply with the Indiana board's  
41 instructions for completing the form prescribed under section 3 of this

chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(c) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

(1) **if the county or township official held a preliminary conference under section 1(f) of this chapter**, indicated on the petition submitted under ~~section 1(c) of this chapter~~; **that section by the taxpayer and the official;**

~~(2) included in the township assessor's response under section 1(g) of this chapter; and~~

~~(2)~~ (2) included in the county property tax assessment board of appeals' findings, record, and determination under section ~~2-1(d)~~ **2.1(c)** of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, and the county auditor:

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (c); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of ninety (90) days after

1 the hearing or the date set in an extension order issued by the Indiana  
2 board.

3 (h) With respect to an appeal of a real property assessment that takes  
4 effect on the assessment date on which a general reassessment of real  
5 property takes effect under IC 6-1.1-4-4, the Indiana board shall make  
6 a determination not later than the later of one hundred eighty (180) days  
7 after the hearing or the date set in an extension order issued by the  
8 Indiana board.

9 (i) Except as provided in subsection (n), the Indiana board may not  
10 extend the final determination date under subsection (g) or (h) by more  
11 than one hundred eighty (180) days. If the Indiana board fails to make  
12 a final determination within the time allowed by this subsection, the  
13 entity that initiated the petition may:

14 (1) take no action and wait for the Indiana board to make a final  
15 determination; or

16 (2) petition for judicial review under section 5(g) of this chapter.

17 (j) A final determination must include separately stated findings of  
18 fact for all aspects of the determination. Findings of ultimate fact must  
19 be accompanied by a concise statement of the underlying basic facts of  
20 record to support the findings. Findings must be based exclusively upon  
21 the evidence on the record in the proceeding and on matters officially  
22 noticed in the proceeding. Findings must be based upon a  
23 preponderance of the evidence.

24 (k) The Indiana board may limit the scope of the appeal to the issues  
25 raised in the petition and the evaluation of the evidence presented to the  
26 county property tax assessment board of appeals in support of those  
27 issues only if all persons participating in the hearing required under  
28 subsection (a) agree to the limitation. A person participating in the  
29 hearing required under subsection (a) is entitled to introduce evidence  
30 that is otherwise proper and admissible without regard to whether that  
31 evidence has previously been introduced at a hearing before the county  
32 property tax assessment board of appeals.

33 (l) The Indiana board:

34 (1) may require the parties to the appeal to file not more than five  
35 (5) business days before the date of the hearing required under  
36 subsection (a) documentary evidence or summaries of statements  
37 of testimonial evidence; and

38 (2) may require the parties to the appeal to file not more than  
39 fifteen (15) business days before the date of the hearing required  
40 under subsection (a) lists of witnesses and exhibits to be  
41 introduced at the hearing.

(m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection (l).

(n) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

(o) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 18. IC 6-1.1-15-10, AS AMENDED BY P.L.1-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If a petition for review to any board or a proceeding for judicial review in the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the proceeding for judicial review, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or a proceeding for judicial review is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is stayed under IC 4-21.5-5-9 pending a final determination in the proceeding for judicial review. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

(1) the assessed value reported by the taxpayer on the taxpayer's personal property return if a personal property assessment, or an increase in such an assessment, is involved; or



(2) an amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

(b) If the petition for review or the proceeding for judicial review is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property

~~(1) on which a taxpayer is not required to pay taxes under subsection (a); or~~

~~(2) that is described in IC 6-1.1-17-0.5(b).~~

When establishing rates and calculating state school support, the department of local government finance shall ~~recognize the fact that a taxpayer is not required to pay taxes under certain circumstances.~~ **exclude from assessed value in the county the assessed value of property kept separate on the tax duplicate by the county auditor under IC 6-1.1-17-0.5(b).**

SECTION 19. IC 6-1.1-15-11, AS AMENDED BY P.L.90-2002, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. **(a)** If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the department of local government finance on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. ~~If~~ After the credit is given, **the county auditor shall:**

**(1) determine if a further amount is due the taxpayer; he may file a claim for and**

**(2) if a further amount is due the taxpayer, notwithstanding IC 5-11-10-1 and IC 36-2-6-2, amount due. If the claim is allowed by The board of county commissioners, the county auditor shall, without a claim or an appropriation being required, pay the amount due the taxpayer.**

The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid. **The county auditor shall notify the county executive of the payment of the amount due and publish the allowance in the manner provided in IC 36-2-6-3.**

**(b) The notice under subsection (a)(2) is treated as a claim by the taxpayer for the amount due referred to in that subsection.**

SECTION 20. IC 6-1.1-17-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) This section applies:

(1) to each governing body of a taxing unit that is not comprised of a majority of officials who are elected to serve on the governing body; and

(2) if the proposed property tax levy for the taxing unit for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the taxing unit for the current calendar year.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a school corporation. ~~or a public library district.~~

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy. ~~However, the fiscal body may not reduce the proposed tax levy to an amount that is less than the maximum permissible levy under IC 6-1.1-18.5-3.~~

SECTION 21. IC 6-1.1-18-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:

- 1           (1) property tax rate or rates; or
- 2           (2) special benefits tax rate or rates;
- 3 referred to in the statutes listed in subsection (d).

4           (b) The maximum rate for taxes first due and payable after  
 5 2003 is the maximum rate that would have been determined under  
 6 subsection (e) for taxes first due and payable in 2003 if subsection  
 7 (e) had applied for taxes first due and payable in 2003.

8           (c) The maximum rate must be adjusted:

- 9           (1) each time an annual adjustment of the assessed value of  
 10 real property takes effect under IC 6-1.1-4-4.5; and
- 11           (2) each time a general reassessment of real property takes  
 12 effect under IC 6-1.1-4-4.

13           (d) The statutes to which subsection (a) refers are:

- 14           (1) IC 8-10-5-17;
- 15           (2) IC 8-22-3-11;
- 16           (3) IC 8-22-3-25;
- 17           (4) IC 12-29-1-1;
- 18           (5) IC 12-29-1-2;
- 19           (6) IC 12-29-1-3;
- 20           (7) IC 12-29-2-13;
- 21           (8) IC 12-29-3-6;
- 22           (9) IC 13-21-3-12;
- 23           (10) IC 13-21-3-15;
- 24           (11) IC 14-27-6-30;
- 25           (12) IC 14-33-7-3;
- 26           (13) IC 14-33-21-5;
- 27           (14) IC 15-1-6-2;
- 28           (15) IC 15-1-8-1;
- 29           (16) IC 15-1-8-2;
- 30           (17) IC 16-20-2-18;
- 31           (18) IC 16-20-4-27;
- 32           (19) IC 16-20-7-2;
- 33           (20) IC 16-23-1-29;
- 34           (21) IC 16-23-3-6;
- 35           (22) IC 16-23-4-2;
- 36           (23) IC 16-23-5-6;
- 37           (24) IC 16-23-7-2;
- 38           (25) IC 16-23-8-2;
- 39           (26) IC 16-23-9-2;

- 1           **(27) IC 16-41-15-5;**
- 2           **(28) IC 16-41-33-4;**
- 3           **(29) IC 20-5-17.5-2;**
- 4           **(30) IC 20-5-17.5-3;**
- 5           **(31) IC 20-5-37-4;**
- 6           **(32) IC 20-14-7-5.1;**
- 7           **(33) IC 20-14-7-6;**
- 8           **(34) IC 20-14-13-12;**
- 9           **(35) IC 21-1-11-3;**
- 10          **(36) IC 21-2-17-2;**
- 11          **(37) IC 23-13-17-1;**
- 12          **(38) IC 23-14-66-2;**
- 13          **(39) IC 23-14-67-3;**
- 14          **(40) IC 36-7-13-4;**
- 15          **(41) IC 36-7-14-28;**
- 16          **(42) IC 36-7-15.1-16;**
- 17          **(43) IC 36-8-19-8.5;**
- 18          **(44) IC 36-9-6.1-2;**
- 19          **(45) IC 36-9-17.5-4;**
- 20          **(46) IC 36-9-27-73;**
- 21          **(47) IC 36-9-29-31;**
- 22          **(48) IC 36-9-29.1-15;**
- 23          **(49) IC 36-10-6-2;**
- 24          **(50) IC 36-10-7-7;**
- 25          **(51) IC 36-10-7-8;**
- 26          **(52) IC 36-10-7.5-19; and**
- 27          **(53) any statute enacted after December 31, 2003, that:**
  - 28               **(A) establishes a maximum rate for any part of the:**
    - 29                   **(i) property taxes; or**
    - 30                   **(ii) special benefits taxes;**
  - 31               **imposed by a political subdivision; and**
  - 32               **(B) does not exempt the maximum rate from the**
  - 33               **adjustment under this section.**
- 34          **(e) The new maximum rate under a statute listed in subsection**
- 35          **(d) is the tax rate determined under STEP SEVEN of the following**
- 36          **STEPS:**
  - 37               **STEP ONE: Determine the maximum rate for the political**
  - 38               **subdivision levying a property tax or special benefits tax**
  - 39               **under the statute for the year preceding the year in which**

the annual adjustment or general reassessment takes effect.

**STEP TWO:** Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment takes effect.

**STEP THREE:** Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first take effect.

**STEP FOUR:** Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

**STEP FIVE:** Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

**STEP SIX:** Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

**STEP SEVEN:** Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 22. IC 6-1.1-18.5-1, AS AMENDED BY P.L.198-2001, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

1 "Civil taxing unit" means any taxing unit except a school corporation.

2 "Maximum permissible ad valorem property tax levy for the  
3 preceding calendar year" means ~~the greater of:~~

4 ~~(1) the civil taxing unit's maximum permissible ad valorem~~  
5 ~~property tax levy for the calendar year immediately preceding the~~  
6 ~~ensuing calendar year, as that levy was determined under section~~  
7 ~~3 of this chapter; or~~

8 ~~(2) the civil taxing unit's ad valorem property tax levy for the~~  
9 ~~calendar year immediately preceding the ensuing calendar year, as~~  
10 ~~that levy was determined by the department of local government~~  
11 ~~finance in fixing the civil taxing unit's budget, levy, and rate for~~  
12 ~~that preceding calendar year under IC 6-1.1-17, and after~~  
13 ~~eliminating the effects of temporary excessive levy appeals~~  
14 ~~and temporary adjustments made to the working maximum~~  
15 ~~levy for the calendar year immediately preceding the ensuing~~  
16 ~~calendar year, as determined by the department of local~~  
17 ~~government finance.~~

18 "Taxable property" means all tangible property that is subject to the  
19 tax imposed by this article and is not exempt from the tax under  
20 IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this  
21 chapter, the term "taxable property" is further defined in section 6 of  
22 this chapter.

23 "Unadjusted assessed value" means the assessed value of a civil  
24 taxing unit as determined by local assessing officials and the department  
25 of local government finance in a particular calendar year before the  
26 application of an annual adjustment under IC 6-1.1-4-4.5 for that  
27 particular calendar year or any calendar year since the last general  
28 reassessment preceding the particular calendar year.

29 SECTION 23. IC 6-1.1-18.5-12, AS AMENDED BY P.L.178-2002,  
30 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
31 UPON PASSAGE]: Sec. 12. (a) Any civil taxing unit that determines  
32 that it cannot carry out its governmental functions for an ensuing  
33 calendar year under the levy limitations imposed by section 3 of this  
34 chapter may:

35 (1) before September 20; or

36 (2) in the case of a request described in section 16 of this  
37 chapter, before December 31;

38 of the calendar year immediately preceding the ensuing calendar year  
39 appeal to the department of local government finance for relief from  
40 those levy limitations. In the appeal the civil taxing unit must state that  
41 it will be unable to carry out the governmental functions committed to

1 it by law unless it is given the authority that it is petitioning for. The  
2 civil taxing unit must support these allegations by reasonably detailed  
3 statements of fact.

4 (b) The department of local government finance shall promptly  
5 deliver to the local government tax control board every appeal petition  
6 it receives under subsection (a) and any materials it receives relevant to  
7 those appeals. Upon receipt of an appeal petition, the local government  
8 tax control board shall immediately proceed to the examination and  
9 consideration of the merits of the civil taxing unit's appeal.

10 (c) In considering an appeal, the local government tax control board  
11 has the power to conduct hearings, require any officer or member of  
12 the appealing civil taxing unit to appear before it, or require any officer  
13 or member of the appealing civil taxing unit to provide the board with  
14 any relevant records or books.

15 (d) If an officer or member:

16 (1) fails to appear at a hearing of the local government tax control  
17 board after having been given written notice from the local  
18 government tax control board requiring his attendance; or

19 (2) fails to produce for the local government tax control board's  
20 use the books and records that the local government tax control  
21 board by written notice required the officer or member to  
22 produce;

23 then the local government tax control board may file an affidavit in the  
24 circuit court in the jurisdiction in which the officer or member may be  
25 found setting forth the facts of the failure.

26 (e) Upon the filing of an affidavit under subsection (d), the circuit  
27 court shall promptly issue a summons, and the sheriff of the county  
28 within which the circuit court is sitting shall serve the summons. The  
29 summons must command the officer or member to appear before the  
30 local government tax control board, to provide information to the local  
31 government tax control board, or to produce books and records for the  
32 local government tax control board's use, as the case may be.  
33 Disobedience of the summons constitutes, and is punishable as, a  
34 contempt of the circuit court that issued the summons.

35 (f) All expenses incident to the filing of an affidavit under subsection  
36 (d) and the issuance and service of a summons shall be charged to the  
37 officer or member against whom the summons is issued, unless the  
38 circuit court finds that the officer or member was acting in good faith  
39 and with reasonable cause. If the circuit court finds that the officer or  
40 member was acting in good faith and with reasonable cause or if an  
41 affidavit is filed and no summons is issued, the expenses shall be

1 charged against the county in which the affidavit was filed and shall be  
2 allowed by the proper fiscal officers of that county.

3 SECTION 24. IC 6-1.1-18.5-13, AS AMENDED BY P.L.245-2003,  
4 SECTION 16, AND AS AMENDED BY P.L.224-2003, SECTION 246,  
5 IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
6 [EFFECTIVE UPON PASSAGE]: Sec. 13. With respect to an appeal  
7 filed under section 12 of this chapter, the local government tax control  
8 board may recommend that a civil taxing unit receive any one (1) or  
9 more of the following types of relief:

10 ~~(1) Permission to the civil taxing unit to reallocate the amount set~~  
11 ~~aside as a property tax replacement credit as required by~~  
12 ~~IC 6-3.5-1.1 for a purpose other than property tax relief.~~  
13 ~~However, whenever this occurs, the local government tax control~~  
14 ~~board shall also state the amount to be reallocated.~~

15 ~~(2)~~ (1) Permission to the civil taxing unit to increase its levy in  
16 excess of the limitations established under section 3 of this  
17 chapter, if in the judgment of the local government tax control  
18 board the increase is reasonably necessary due to increased costs  
19 of the civil taxing unit resulting from annexation, consolidation, or  
20 other extensions of governmental services by the civil taxing unit  
21 to additional geographic areas or persons.

22 ~~(3)~~ (2) Permission to the civil taxing unit to increase its levy in  
23 excess of the limitations established under section 3 of this  
24 chapter, if the local government tax control board finds that the  
25 civil taxing unit needs the increase to meet the civil taxing unit's  
26 share of the costs of operating a court established by statute  
27 enacted after December 31, 1973. Before recommending such an  
28 increase, the local government tax control board shall consider all  
29 other revenues available to the civil taxing unit that could be  
30 applied for that purpose. The maximum aggregate levy increases  
31 that the local government tax control board may recommend for  
32 a particular court equals the civil taxing unit's share of the costs  
33 of operating a court for the first full calendar year in which it is in  
34 existence.

35 ~~(4)~~ (3) Permission to the civil taxing unit to increase its levy in  
36 excess of the limitations established under section 3 of this  
37 chapter, if the local government tax control board finds that the  
38 quotient determined under STEP SIX of the following formula is  
39 equal to or greater than one and three-hundredths (1.03):

40 STEP ONE: Determine the three (3) calendar years that most  
41 immediately precede the ensuing calendar year and in which a



1 statewide general reassessment of real property does not first  
2 become effective.

3 STEP TWO: Compute separately, for each of the calendar  
4 years determined in STEP ONE, the quotient (rounded to the  
5 nearest ten-thousandth (0.0001)) of the *sum of the* civil taxing  
6 unit's total assessed value of all taxable property *and the total*  
7 *assessed value of property tax deductions in the unit under*  
8 *IC 6-1.1-12-41 or IC 6-1.1-12-42* in the particular calendar  
9 year, divided by the *sum of the* civil taxing unit's total assessed  
10 value of all taxable property *and the total assessed value of*  
11 *property tax deductions in the unit under IC 6-1.1-12-41 or*  
12 *IC 6-1.1-12-42* in the calendar year immediately preceding the  
13 particular calendar year.

14 STEP THREE: Divide the sum of the three (3) quotients  
15 computed in STEP TWO by three (3).

16 STEP FOUR: Compute separately, for each of the calendar  
17 years determined in STEP ONE, the quotient (rounded to the  
18 nearest ten-thousandth (0.0001)) of the *sum of the* total  
19 assessed value of all taxable property in ~~the state~~ *all counties*  
20 *and the total assessed value of property tax deductions in all*  
21 *counties under IC 6-1.1-12-41 or IC 6-1.1-12-42* in the  
22 particular calendar year, divided by the *sum of the* total  
23 assessed value of all taxable property in ~~the state~~ *all counties*  
24 *and the total assessed value of property tax deductions in all*  
25 *counties under IC 6-1.1-12-41 or IC 6-1.1-12-42* in the  
26 calendar year immediately preceding the particular calendar  
27 year.

28 STEP FIVE: Divide the sum of the three (3) quotients  
29 computed in STEP FOUR by three (3).

30 STEP SIX: Divide the STEP THREE amount by the STEP  
31 FIVE amount.

32 ~~*In addition, before the local government tax control board may*~~  
33 ~~*recommend the relief allowed under this subdivision, the civil*~~  
34 ~~*taxing unit must show a need for the increased levy because of*~~  
35 ~~*special circumstances, and the local government tax control board*~~  
36 ~~*must consider other sources of revenue and other means of relief.*~~  
37 *The civil taxing unit may increase its levy by a percentage not*  
38 *greater than the percentage by which the STEP THREE amount*  
39 *exceeds the percentage by which the civil taxing unit may increase*  
40 *its levy under section 3 of this chapter based on the assessed value*  
41 *growth quotient determined under section 2 of this chapter.*

~~(5)~~ (4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the local government tax control board under this subdivision for the ensuing calendar year may not exceed the lesser of:

(A) ten thousand dollars (\$10,000); or

(B) twenty percent (20%) of:

(i) the amount authorized for operating expenses of a volunteer fire department in the budget of the civil taxing unit for the immediately preceding calendar year; plus

(ii) the amount of any additional appropriations authorized during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department under this chapter; minus

(iii) the amount of money borrowed under IC 36-6-6-14 during that calendar year for the civil taxing unit's use in paying operating expenses of a volunteer fire department.

~~(6)~~ (5) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter in order to raise revenues for pension payments and contributions the civil taxing unit is required to make under IC 36-8. The maximum increase in a civil taxing unit's levy that may be recommended under this subdivision for an ensuing calendar year equals the amount, if any, by which the pension payments and contributions the civil taxing unit is required to make under IC 36-8 during the ensuing calendar year exceeds the product of one and one-tenth (1.1) multiplied by the pension payments and contributions made by the civil taxing unit under IC 36-8 during the calendar year that immediately precedes the ensuing calendar year. For purposes of this subdivision, "pension payments and contributions made by a civil taxing unit" does not include that part of the payments or contributions that are funded by distributions made to a civil taxing unit by the state.

~~(7)~~ (6) Permission to increase its levy in excess of the limitations

1 established under section 3 of this chapter if the local government  
2 tax control board finds that:

3 (A) the township's poor relief ad valorem property tax rate is  
4 less than one and sixty-seven hundredths cents (\$0.0167) per  
5 one hundred dollars (\$100) of assessed valuation; and

6 (B) the township needs the increase to meet the costs of  
7 providing poor relief under IC 12-20 and IC 12-30-4.

8 The maximum increase that the board may recommend for a  
9 township is the levy that would result from an increase in the  
10 township's poor relief ad valorem property tax rate of one and  
11 sixty-seven hundredths cents (\$0.0167) per one hundred dollars  
12 (\$100) of assessed valuation minus the township's ad valorem  
13 property tax rate per one hundred dollars (\$100) of assessed  
14 valuation before the increase.

15 ~~(6)~~ (7) Permission to a civil taxing unit to increase its levy in  
16 excess of the limitations established under section 3 of this chapter  
17 if:

18 (A) the increase has been approved by the legislative body of  
19 the municipality with the largest population where the civil  
20 taxing unit provides public transportation services; and

21 (B) the local government tax control board finds that the civil  
22 taxing unit needs the increase to provide adequate public  
23 transportation services.

24 The local government tax control board shall consider tax rates  
25 and levies in civil taxing units of comparable population, and the  
26 effect (if any) of a loss of federal or other funds to the civil taxing  
27 unit that might have been used for public transportation purposes.  
28 However, the increase that the board may recommend under this  
29 subdivision for a civil taxing unit may not exceed the revenue that  
30 would be raised by the civil taxing unit based on a property tax  
31 rate of one cent (\$0.01) per one hundred dollars (\$100) of  
32 assessed valuation.

33 ~~(7)~~ (8) Permission to a civil taxing unit to increase the unit's levy  
34 in excess of the limitations established under section 3 of this  
35 chapter if the local government tax control board finds that:

36 (A) the civil taxing unit is:

37 (i) a county having a population of more than one hundred  
38 forty-eight thousand (148,000) but less than one hundred  
39 seventy thousand (170,000);

40 (ii) a city having a population of more than fifty-five  
41 thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

~~(10)~~ (9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

(i) was issued by a federal district court; and

(ii) has not been terminated;

(C) that operates a county jail that fails to meet:

(i) American Correctional Association Jail Construction

Standards; and

(ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may recommend for a county equals the county's share of the costs of operating the jail or a juvenile detention center for the first full calendar year in which the jail or juvenile detention center is in operation.

~~(11)~~ (10) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township needs the increase so that the property tax rate to pay the costs of furnishing fire protection for a township, or a portion of a township, enables the township to pay a fair and reasonable amount under a contract with the municipality that is furnishing the fire protection. However, for the first time an appeal is granted the resulting rate increase may not exceed fifty percent (50%) of the difference between the rate imposed for fire protection within the municipality that is providing the fire protection to the township and the township's rate. A township is required to appeal a second time for an increase under this subdivision if the township wants to further increase its rate. However, a township's rate may be increased to equal but may not exceed the rate that is used by the municipality. More than one (1) township served by the same municipality may use this appeal.

~~(12)~~ (11) Permission for a township to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the township has been required, for the three (3) consecutive years preceding the year for which the appeal under this subdivision is to become effective, to borrow funds under IC 36-6-6-14 to furnish fire protection for the township or a part of the township. However,

the maximum increase in a township's levy that may be allowed under this subdivision is the least of the amounts borrowed under IC 36-6-6-14 during the preceding three (3) calendar years. A township may elect to phase in an approved increase in its levy under this subdivision over a period not to exceed three (3) years. A particular township may appeal to increase its levy under this section not more frequently than every fourth calendar year.

~~(13)~~ **(12)** Permission to a city having a population of more than twenty-nine thousand (29,000) but less than thirty-one thousand (31,000) to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) an appeal was granted to the city under ~~subdivision (1)~~ **this section to reallocate property tax replacement credits under IC 6-3.5-1.1** in 1998, 1999, and 2000; and

(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned ~~under this section~~ to have reallocated in 2001 ~~under subdivision (1)~~ for a purpose other than property tax relief.

SECTION 25. IC 6-1.1-18.5-16, AS AMENDED BY P.L.90-2002, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) **A civil taxing unit may request permission from the local government tax control board to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue**

1 **shortfall because of the payment of refunds that resulted from**  
 2 **appeals under this article and IC 6-1.5.**

3 (c) If the local government tax control board determines that ~~such~~  
 4 a shortfall **described in subsection (a) or (b)** has occurred, it shall  
 5 recommend to the department of local government finance that the civil  
 6 taxing unit be allowed to impose a property tax levy exceeding the limit  
 7 imposed by section 3 of this chapter, and the department ~~shall~~ **may**  
 8 adopt such recommendation. However, the maximum amount by which  
 9 the civil taxing unit's levy may be increased over the limits imposed by  
 10 section 3 of this chapter equals the remainder of the civil taxing unit's  
 11 property tax levy for the particular calendar year as finally approved by  
 12 the department of local government finance minus the actual property  
 13 tax levy collected by the civil taxing unit for that particular calendar  
 14 year.

15 ~~(c)~~ **(d)** Any property taxes collected by a civil taxing unit over the  
 16 limits imposed by section 3 of this chapter under the authority of this  
 17 section may not be treated as a part of the civil taxing unit's maximum  
 18 permissible ad valorem property tax levy for purposes of determining  
 19 its maximum permissible ad valorem property tax levy for future years.

20 ~~(d)~~ **(e)** If the department of local government finance authorizes an  
 21 excess tax levy under this section, it shall take appropriate steps to  
 22 insure that the proceeds are first used to repay any loan made to the  
 23 civil taxing unit for the purpose of meeting its current expenses.

24 SECTION 26. IC 6-1.1-18.5-17, AS AMENDED BY P.L.90-2002,  
 25 SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 26 UPON PASSAGE]: Sec. 17. (a) As used in this section, "levy excess"  
 27 means the part of the ad valorem property tax levy actually collected by  
 28 a civil taxing unit, for taxes first due and payable during a particular  
 29 calendar year, that exceeds the civil taxing unit's ad valorem property  
 30 tax levy, as approved by the department of local government finance  
 31 under IC 6-1.1-17.

32 (b) A civil taxing unit's levy excess is valid and may not be contested  
 33 on the grounds that it exceeds the civil taxing unit's levy limit for the  
 34 applicable calendar year. However, the civil taxing unit shall deposit,  
 35 except as provided in subsection (h), ~~the part of its levy that exceeds~~  
 36 ~~one hundred two percent (102%) of the civil taxing unit's ad valorem~~  
 37 ~~property tax levy for the applicable calendar year, as approved by the~~  
 38 ~~department of local government finance under IC 6-1.1-17, excess in~~  
 39 a special fund to be known as the civil taxing unit's levy excess fund.

40 (c) The chief fiscal officer of a civil taxing unit may invest money  
 41 in the civil taxing unit's levy excess fund in the same manner in which

money in the civil taxing unit's general fund may be invested. However, any income derived from investment of the money shall be deposited in and becomes a part of the levy excess fund.

(d) The department of local government finance ~~may~~ **shall** require a civil taxing unit to include the amount in its levy excess fund in the civil taxing unit's budget fixed under IC 6-1.1-17.

(e) Except as provided by subsection (f), a civil taxing unit may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the **ad valorem** property tax levy limits imposed under this chapter, a civil taxing unit shall treat the money in its levy excess fund that the department of local government finance permits it to spend during a particular calendar year as part of its ad valorem property tax levy for that same calendar year.

(f) A civil taxing unit may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a civil taxing unit may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 27. IC 6-1.1-18.6-2, AS AMENDED BY P.L.273-1999, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 2. A county may not impose a county family and children property tax levy for an ensuing calendar year that exceeds the ~~product of: levy determined under~~ **IC 12-19-7-4.**

~~(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by~~

~~(2) the maximum county family and children property tax levy that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.~~

SECTION 28. IC 6-1.1-18.6-2.2, AS ADDED BY P.L.224-2003, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 2.2. A county may not impose



a county children's psychiatric residential treatment services property tax levy for an ensuing calendar year that exceeds the ~~product of: levy determined under IC 12-19-7.5-6.~~

~~(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by~~

~~(2) the maximum county children's psychiatric residential treatment services property tax levy that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.~~

SECTION 29. IC 6-1.1-19-1.5, AS AMENDED BY P.L.276-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for a calendar year beginning after December 31, 2004, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, perform the calculation under STEP THREE and not under STEP FOUR;

(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP THREE; or

(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using the school corporation's adjusted target property tax rate and do not perform the calculation under STEP THREE or STEP FOUR.

STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) five cents (\$0.05).

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) five cents (\$0.05).

STEP FIVE: Determine the result of:

(A) the STEP TWO (C), STEP THREE, or STEP FOUR result, whichever applies; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the portion of any excessive levy and the levy for new facilities.

STEP SIX: Determine the result of:

(A) the STEP FIVE result; plus

(B) the product of:

(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by

(ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

(c) For purposes of this section, "total assessed value" ~~as adjusted under subsection (d)~~, with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes

1 first due and payable during that year.

2 ~~(d) The department of local government finance may adjust the total~~  
 3 ~~assessed value of a school corporation to eliminate the effects of~~  
 4 ~~appeals and settlements arising from a statewide general reassessment~~  
 5 ~~of real property.~~

6 ~~(e)~~ (d) The department of local government finance shall annually  
 7 establish an assessment ratio and adjustment factor for each school  
 8 corporation to be used upon the review and recommendation of the  
 9 budget committee. The information compiled, including background  
 10 documentation, may not be used in a:

11 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,  
 12 IC 6-1.1-14, or IC 6-1.1-15;

13 (2) petition for a correction of error under IC 6-1.1-15-12; or

14 (3) petition for refund under IC 6-1.1-26.

15 ~~(f)~~ (e) All tax rates shall be computed by rounding the rate to the  
 16 nearest one-hundredth of a cent (\$0.0001). All tax levies shall be  
 17 computed by rounding the levy to the nearest dollar amount.

18 ~~(g)~~ (f) For the calendar year beginning January 1, 2004, and ending  
 19 December 31, 2004, a school corporation may impose a general fund  
 20 ad valorem property tax levy in the amount determined under STEP  
 21 ~~SEVEN EIGHT~~ of the following formula:

22 STEP ONE: Determine the quotient of:

23 (A) the school corporation's 2003 assessed valuation; divided  
 24 by

25 (B) the school corporation's 2002 assessed valuation.

26 STEP TWO: Determine the greater of zero (0) or the difference  
 27 between:

28 (A) the STEP ONE amount; minus

29 (B) one (1).

30 STEP THREE: Determine the lesser of eleven-hundredths (0.11)  
 31 or the product of:

32 (A) the STEP TWO amount; multiplied by

33 (B) eleven-hundredths (0.11).

34 STEP FOUR: Determine the sum of:

35 (A) the STEP THREE amount; plus

36 (B) one (1).

37 STEP FIVE: Determine the product of:

38 (A) the STEP FOUR amount; multiplied by

39 (B) the school corporation's general fund ad valorem property  
 40 tax levy for calendar year 2003.

41 STEP SIX: Determine the lesser of:

- 1 (A) the STEP FIVE amount; or
- 2 (B) the levy resulting from using the school corporation's
- 3 previous year property tax rate after increasing the rate by five
- 4 cents (\$0.05).

5 STEP SEVEN: Determine the result of:

- 6 (A) the STEP SIX amount; plus
- 7 (B) an amount equal to the annual decrease in federal aid to
- 8 impacted areas from the year preceding the ensuing calendar
- 9 year by three (3) years to the year preceding the ensuing
- 10 calendar year by two (2) years.

11 The maximum levy is to include the part of any excessive levy and

12 the levy for new facilities.

13 STEP EIGHT: Determine the result of:

- 14 (A) the STEP SEVEN result; plus
- 15 (B) the product of:
  - 16 (i) the weighted average of the amounts determined under
  - 17 IC 21-3-1.7-6.7(e) STEP NINE for all charter schools
  - 18 attended by students who have legal settlement in the school
  - 19 corporation; multiplied by
  - 20 (ii) thirty-five hundredths (0.35).

21 In determining the number of students for purposes of this

22 STEP, each kindergarten pupil shall be counted as one-half

23 (1/2) pupil.

24 The result determined under this STEP may not be included in the

25 school corporation's adjusted base levy for the year following the

26 year in which the result applies or in the school corporation's

27 determination of tuition support.

28 SECTION 30. IC 6-1.1-19-1.7, AS AMENDED BY P.L.90-2002,

29 SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

30 UPON PASSAGE]: Sec. 1.7. (a) As used in this section, "levy excess"

31 means that portion of the ad valorem property tax levy actually collected

32 by a school corporation, for taxes first due and payable during a

33 particular calendar year, which exceeds the school corporation's total

34 levy, as approved by the department of local government finance under

35 IC 6-1.1-17, for those property taxes.

36 (b) A school corporation's levy excess is valid, and the general fund

37 portion of a school corporation's levy excess may not be contested on

38 the grounds that it exceeds the school corporation's general fund levy

39 limit for the applicable calendar year. However, the school corporation

40 shall deposit, except as provided in subsection (h), ~~that portion of a~~

41 ~~school corporation's~~ its levy excess ~~which exceeds one hundred two~~

percent (102%) of the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for the applicable calendar year, in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money in the school corporation's levy excess fund in the same manner in which money in the school corporation's general fund may be invested. However, any income derived from investment of the money shall be deposited in and become a part of the levy excess fund.

(d) The department of local government finance ~~may~~ **shall** require a school corporation to include the amount in the school corporation's levy excess fund in the school corporation's budget fixed under IC 6-1.1-17.

(e) Except as provided in subsection (f), a school corporation may not spend any money in its levy excess fund until the expenditure of the money has been included in a budget that has been approved by the department of local government finance under IC 6-1.1-17. For purposes of fixing its budget and for purposes of the **ad valorem** property tax levy limits fixed under this chapter, a school corporation shall treat the money in its levy excess fund that the department of local government finance permits the school corporation to spend during a particular calendar year as part of the school corporation's ad valorem property tax levy for that same calendar year.

(f) A school corporation may transfer money from its levy excess fund to its other funds to reimburse those funds for amounts withheld from the school corporation as a result of refunds paid under IC 6-1.1-26.

(g) Subject to the limitations imposed by this section, a school corporation may use money in its levy excess fund for any lawful purpose for which money in any of its other funds may be used.

(h) If the amount that would be deposited in the levy excess fund of a school corporation for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the school corporation for that year.

SECTION 31. IC 6-1.1-19-2, AS AMENDED BY P.L.178-2002, SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) A county board of tax adjustment may not approve or recommend the approval of an excessive tax levy.

(b) If a school corporation adopts or advertises an excessive tax levy, the county board of tax adjustment which reviews the school corporation's budget, tax levy, and tax rate shall reduce the excessive

1 tax levy to the maximum normal tax levy.

2 (c) If a county board of tax adjustment approves, or recommends  
3 the approval of, an excessive tax levy for a school corporation, the  
4 auditor of the county for which the county board is acting shall reduce  
5 the excessive tax levy to the maximum normal tax levy. Such a  
6 reduction shall be set out in the notice required to be published by the  
7 auditor under IC 6-1.1-17-12, and an appeal shall be permitted  
8 therefrom as provided under IC 6-1.1-17 as modified by this chapter.

9 (d) Appeals from any action of a county board of tax adjustment or  
10 county auditor in respect of a school corporation's budget, tax levy, or  
11 tax rate may be taken as provided for by IC 6-1.1-17. Notwithstanding  
12 IC 6-1.1-17, a school corporation may appeal to the department of local  
13 government finance for emergency financial relief for the ensuing  
14 calendar year at any time before:

15 (1) September 20; or

16 (2) in the case of a request described in section 4.7(a) of this  
17 chapter, December 31;

18 of the calendar year immediately preceding the ensuing calendar year.

19 (e) In the appeal petition in which a school corporation seeks  
20 emergency financial relief, the appellant school corporation shall allege  
21 that, unless it is given the emergency financial relief for which it  
22 petitions, it will be unable to carry out, in the ensuing calendar year, the  
23 public educational duty committed to it by law, and it shall support that  
24 allegation by reasonably detailed statements of fact.

25 (f) When an appeal petition in which a school corporation petitions  
26 for emergency financial relief is filed with the department of local  
27 government finance, the department shall include, in the notice of the  
28 hearing in respect of the petition that it is required to give under  
29 IC 6-1.1-17-16, a statement to the effect that the appellant school  
30 corporation is seeking emergency financial relief for the ensuing  
31 calendar year. A subsequent action taken by the department of local  
32 government finance in respect of such an appeal petition is not invalid,  
33 however, or otherwise affected, if the department fails to include such  
34 a statement in the hearing notice.

35 SECTION 32. IC 6-1.1-19-4.7, AS AMENDED BY P.L.90-2002,  
36 SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
37 UPON PASSAGE]: Sec. 4.7. (a) With respect to every appeal petition  
38 that:

39 (1) is delivered to the tax control board by the department of local  
40 government finance under section 4.1 of this chapter; and

41 (2) includes a request for emergency relief for the purpose of

making up a shortfall that has resulted:

(A) whenever:

(i) erroneous assessed valuation figures were provided to the school corporation;

(ii) erroneous figures were used to determine the school corporation's total property tax rate; and

(iii) the school corporation's general fund tax levy was reduced under IC 6-1.1-17-16(d); or

**(B) whenever the assessed valuation figures that were provided to and used by the school corporation to determine the property tax rate did not accurately reflect because of the payment of refunds that resulted from appeals filed by property owners; under this article and IC 6-1.5;**

the tax control board shall recommend to the department of local government finance that the school corporation receive emergency financial relief. The relief shall be in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter, or in a combination of the forms of relief specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter.

(b) The tax control board shall, if the tax control board determines that a shortfall exists as described in subsection (a), recommend that a school corporation that appeals for the purpose stated in subsection (a) be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between:

(1) the school corporation's property tax levy for a particular year as finally approved by the department of local government finance; and

(2) the school corporation's actual property tax levy for the particular year.

(c) With respect to each appeal petition that:

(1) is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter;

(2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted because of a delinquent property taxpayer; and

(3) the tax control board finds that the balance in the school corporation's levy excess fund plus the property taxes collected for the school corporation is less than ninety-eight percent (98%) of the school corporation's property tax levy for that year, as finally approved by the department of local government finance;

the tax control board may recommend to the department of local

government finance that the school corporation receive emergency financial relief in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter and be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between the school corporation's property tax levy for a particular year, as finally approved by the department, and the school corporation's actual property tax collections plus any balance in the school corporation's levy excess fund.

(d) Every recommendation made by the tax control board under this section shall specify the amount of the excessive tax levy. The department of local government finance ~~shall~~ **may** authorize the school board to make an excessive tax levy in accordance with the recommendation without any other proceeding. Whenever the department of local government finance authorizes an excessive tax levy under this subsection, the department shall take appropriate steps to ensure that the proceeds of the excessive tax levy are first used to repay any loan authorized under sections 4.3 through 5.3 of this chapter.

SECTION 33. IC 6-1.1-20-3.1, AS AMENDED BY P.L.178-2002, SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2004]: Sec. 3.1. A political subdivision may not impose property taxes to pay debt service or lease rentals without completing the following procedures:

(1) The proper officers of a political subdivision shall:

(A) publish notice in accordance with IC 5-3-1; and

(B) send notice by first class mail to any organization that delivers to the officers, before January 1 of that year, an annual written request for such notices;

of any meeting to consider adoption of a resolution or an ordinance making a preliminary determination to issue bonds or enter into a lease and shall conduct a public hearing on a preliminary determination before adoption of the resolution or ordinance.

(2) When the proper officers of a political subdivision make a preliminary determination to issue bonds or enter into a lease, the officers shall give notice of the preliminary determination by:

(A) publication in accordance with IC 5-3-1; and

(B) first class mail to the organizations described in subdivision

(1)(B).

(3) A notice under subdivision (2) of the preliminary determination of the political subdivision to issue bonds or enter into a lease must include the following information:



- 1 (A) The maximum term of the bonds or lease.
- 2 (B) The maximum principal amount of the bonds or the
- 3 maximum lease rental for the lease.
- 4 (C) The estimated interest rates that will be paid and the total
- 5 interest costs associated with the bonds or lease.
- 6 (D) The purpose of the bonds or lease.
- 7 (E) A statement that any owners of real property within the
- 8 political subdivision who want to initiate a petition and
- 9 remonstrance process against the proposed debt service or
- 10 lease payments must file a petition that complies with
- 11 subdivisions (4) and (5) not later than thirty (30) days after
- 12 publication in accordance with IC 5-3-1.
- 13 (F) With respect to bonds issued or a lease entered into to
- 14 open:
  - 15 (i) a new school facility; or
  - 16 (ii) an existing facility that has not been used for at least
  - 17 three (3) years and that is being reopened to provide
  - 18 additional classroom space;
  - 19 the estimated costs the school corporation expects to incur
  - 20 annually to operate the facility.
  - 21 (G) A statement of whether the school corporation expects to
  - 22 appeal as described in IC 6-1.1-19-4.4(a)(4) for an increased
  - 23 adjusted base levy to pay the estimated costs described in
  - 24 clause (F).
- 25 (4) After notice is given, a petition requesting the application of a
- 26 petition and remonstrance process may be filed by the lesser of:
  - 27 (A) ~~two one~~ hundred ~~fifty (250)~~ (100) owners of real property
  - 28 within the political subdivision; or
  - 29 (B) ~~ten~~ five percent (~~10%~~) (5%) of the owners of real
  - 30 property within the political subdivision.
- 31 **(5) The state board of accounts shall design and, upon**
- 32 **request by the county auditor, deliver to the county auditor**
- 33 **or the county auditor's designated printer the petition forms**
- 34 **to be used solely in the petition process described in this**
- 35 **section. The county auditor shall issue to an owner or owners**
- 36 **of real property within the political subdivision the number**
- 37 **of petition forms requested by the owner or owners. Each**
- 38 **form must be accompanied by instructions detailing the**
- 39 **requirements that:**
  - 40 (A) the carrier and signers must be owners of real

- 1           **property;**
- 2           **(B) the carrier must be a signatory on at least one (1)**
- 3           **petition;**
- 4           **(C) after the signatures have been collected, the carrier**
- 5           **must swear or affirm before a notary public that the**
- 6           **carrier witnessed each signature; and**
- 7           **(D) govern the closing date for the petition period.**

8           **Persons requesting forms may not be required to identify**  
 9           **themselves and may be allowed to pick up additional copies**  
 10           **to distribute to other property owners.**

11           **(6)** Each petition must be verified under oath by at least one (1)  
 12           qualified petitioner in a manner prescribed by the state board of  
 13           accounts before the petition is filed with the county auditor under  
 14           subdivision ~~(6)~~: **(7)**.

15           ~~(6)~~ **(7)** Each petition must be filed with the county auditor not  
 16           more than thirty (30) days after publication under subdivision (2)  
 17           of the notice of the preliminary determination.

18           ~~(7)~~ **(8)** The county auditor must file a certificate and each petition  
 19           with:

20           (A) the township trustee, if the political subdivision is a  
 21           township, who shall present the petition or petitions to the  
 22           township board; or

23           (B) the body that has the authority to authorize the issuance of  
 24           the bonds or the execution of a lease, if the political subdivision  
 25           is not a township;

26           within fifteen (15) business days of the filing of the petition  
 27           requesting a petition and remonstrance process. The certificate  
 28           must state the number of petitioners that are owners of real  
 29           property within the political subdivision.

30           If a sufficient petition requesting a petition and remonstrance process  
 31           is not filed by owners of real property as set forth in this section, the  
 32           political subdivision may issue bonds or enter into a lease by following  
 33           the provisions of law relating to the bonds to be issued or lease to be  
 34           entered into.

35           SECTION 34. IC 6-1.1-20-3.2, AS AMENDED BY P.L.178-2002,  
 36           SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 37           MARCH 1, 2004]: Sec. 3.2. If a sufficient petition requesting the  
 38           application of a petition and remonstrance process has been filed as set  
 39           forth in section 3.1 of this chapter, a political subdivision may not  
 40           impose property taxes to pay debt service or lease rentals without

1 completing the following procedures:

2 (1) The proper officers of the political subdivision shall give notice  
3 of the applicability of the petition and remonstrance process by:

4 (A) publication in accordance with IC 5-3-1; and

5 (B) first class mail to the organizations described in section  
6 3.1(1)(B) of this chapter.

7 A notice under this subdivision must include a statement that any  
8 owners of real property within the political subdivision who want  
9 to petition in favor of or remonstrate against the proposed debt  
10 service or lease payments must file petitions and remonstrances in  
11 compliance with subdivisions (2) through (4) not earlier than thirty  
12 (30) days or later than sixty (60) days after publication in  
13 accordance with IC 5-3-1.

14 (2) Not earlier than thirty (30) days or later than sixty (60) days  
15 after the notice under subdivision (1) is given:

16 (A) petitions (described in subdivision (3)) in favor of the  
17 bonds or lease; and

18 (B) remonstrances (described in subdivision (3)) against the  
19 bonds or lease;

20 may be filed by an owner or owners of real property within the  
21 political subdivision. Each signature on a petition must be dated  
22 and the date of signature may not be before the date on which the  
23 petition and remonstrance forms may be issued under subdivision  
24 (3). A petition described in clause (A) or a remonstrance described  
25 in clause (B) must be verified in compliance with subdivision (4)  
26 before the petition or remonstrance is filed with the county auditor  
27 under subdivision (4).

28 (3) The state board of accounts shall design and, upon request by  
29 the county auditor, deliver to the county auditor or the county  
30 auditor's designated printer the petition and remonstrance forms  
31 to be used solely in the petition and remonstrance process  
32 described in this section. The county auditor shall issue to an  
33 owner or owners of real property within the political subdivision  
34 the number of petition or remonstrance forms requested by the  
35 owner or owners. Each form must be accompanied by  
36 instructions detailing the requirements that:

37 (A) the carrier and signers must be owners of real property;

38 (B) the carrier must be a signatory on at least one (1) petition;

39 (C) after the signatures have been collected, the carrier must  
40 swear or affirm before a notary public that the carrier  
41 witnessed each signature; ~~and~~

(D) govern the closing date for the petition and remonstrance period; **and**

**(E) apply to the carrier under section 10 of this chapter.**

Persons requesting forms may not be required to identify themselves and may be allowed to pick up additional copies to distribute to other property owners. The county auditor may not issue a petition or remonstrance form earlier than twenty-nine (29) days after the notice is given under subdivision (1). The county auditor shall certify the date of issuance on each petition or remonstrance form that is distributed under this subdivision.

(4) The petitions and remonstrances must be verified in the manner prescribed by the state board of accounts and filed with the county auditor within the sixty (60) day period described in subdivision (2) in the manner set forth in section 3.1 of this chapter relating to requests for a petition and remonstrance process.

(5) The county auditor must file a certificate and the petition or remonstrance with the body of the political subdivision charged with issuing bonds or entering into leases within fifteen (15) business days of the filing of a petition or remonstrance under subdivision (4), whichever applies, containing ten thousand (10,000) signatures or less. The county auditor may take an additional five (5) days to review and certify the petition or remonstrance for each additional five thousand (5,000) signatures up to a maximum of sixty (60) days. The certificate must state the number of petitioners and remonstrators that are owners of real property within the political subdivision.

(6) If a greater number of owners of real property within the political subdivision sign a remonstrance than the number that signed a petition, the bonds petitioned for may not be issued or the lease petitioned for may not be entered into. The proper officers of the political subdivision may not make a preliminary determination to issue bonds or enter into a lease for the controlled project defeated by the petition and remonstrance process under this section or any other controlled project that is not substantially different within one (1) year after the date of the county auditor's certificate under subdivision (5). Withdrawal of a petition carries the same consequences as a defeat of the petition.

(7) After a political subdivision has gone through the petition and remonstrance process set forth in this section, the political subdivision is not required to follow any other remonstrance or

objection procedures under any other law (including section 5 of this chapter) relating to bonds or leases designed to protect owners of real property within the political subdivision from the imposition of property taxes to pay debt service or lease rentals. However, the political subdivision must still receive the approval of the department of local government finance required by IC 6-1.1-18.5-8 or IC 6-1.1-19-8.

SECTION 35. IC 6-1.1-20-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2004]: **Sec. 10. (a) If a petition and remonstrance process is commenced under section 3.2 of this chapter, during the sixty (60) day period commencing with the notice under section 3.2(1) of this chapter, the political subdivision seeking to issue bonds or enter into a lease for the proposed controlled project may not promote a position on the petition or remonstrance by doing any of the following:**

(1) Allowing facilities or equipment, including mail and messaging systems, owned by the political subdivision to be used for public relations purposes to promote a position on the petition or remonstrance, unless equal access to the facilities or equipment is given to persons with a position opposite to that of the political subdivision.

(2) Making an expenditure of money from a fund controlled by the political subdivision to promote a position on the petition or remonstrance (except as necessary to explain the project to the public) or to pay for the gathering of signatures on a petition or remonstrance. This subdivision does not prohibit a political subdivision from making an expenditure of money to an attorney, an architect, a construction manager, or a financial adviser for professional services provided with respect to a controlled project.

(3) Using an employee to promote a position on the petition or remonstrance during the employee's normal working hours or paid overtime.

(4) In the case of a school corporation, promoting a position on a petition or remonstrance by:

(A) using students to transport written materials to their residences; or

(B) including a statement within another communication

1           **sent to the students' residences.**

2           **However, this section does not prohibit an employee of the**  
 3           **political subdivision from carrying out duties with respect to a**  
 4           **petition or remonstrance that are part of the normal and regular**  
 5           **conduct of the employee's office or agency.**

6           **(b) A person may not solicit or collect signatures for a petition**  
 7           **or remonstrance on property owned or controlled by the political**  
 8           **subdivision.**

9           SECTION 36. IC 6-1.1-21-2, AS AMENDED BY P.L.224-2003,  
 10          SECTION 137, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 11          UPON PASSAGE]: Sec. 2. As used in this chapter:

12          (a) "Taxpayer" means a person who is liable for taxes on property  
 13          assessed under this article.

14          (b) "Taxes" means property taxes payable in respect to property  
 15          assessed under this article. The term does not include special  
 16          assessments, penalties, or interest, but does include any special charges  
 17          which a county treasurer combines with all other taxes in the  
 18          preparation and delivery of the tax statements required under  
 19          IC 6-1.1-22-8(a).

20          (c) "Department" means the department of state revenue.

21          (d) "Auditor's abstract" means the annual report prepared by each  
 22          county auditor which under IC 6-1.1-22-5, is to be filed on or before  
 23          March 1 of each year with the auditor of state.

24          (e) "Mobile home assessments" means the assessments of mobile  
 25          homes made under IC 6-1.1-7.

26          (f) "Postabstract adjustments" means adjustments in taxes made  
 27          subsequent to the filing of an auditor's abstract which change  
 28          assessments therein or add assessments of omitted property affecting  
 29          taxes for such assessment year.

30          (g) "Total county tax levy" means the sum of:

31               (1) the remainder of:

32                   (A) the aggregate levy of all taxes for all taxing units in a  
 33                   county which are to be paid in the county for a stated  
 34                   assessment year as reflected by the auditor's abstract for the  
 35                   assessment year, adjusted, however, for any postabstract  
 36                   adjustments which change the amount of the aggregate levy;  
 37                   minus

38                   (B) the sum of any increases in property tax levies of taxing  
 39                   units of the county that result from appeals described in:

40                       (i) ~~IC 6-1.1-18.5-13(5)~~ **IC 6-1.1-18.5-13(4)** and  
 41                       ~~IC 6-1.1-18.5-13(6)~~ **IC 6-1.1-18.5-13(5)** filed after

1 December 31, 1982; plus  
 2 (ii) the sum of any increases in property tax levies of taxing  
 3 units of the county that result from any other appeals  
 4 described in IC 6-1.1-18.5-13 filed after December 31, 1983;  
 5 plus  
 6 (iii) IC 6-1.1-18.6-3 (children in need of services and  
 7 delinquent children who are wards of the county); minus  
 8 (C) the total amount of property taxes imposed for the stated  
 9 assessment year by the taxing units of the county under the  
 10 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),  
 11 IC 12-19-5, or IC 12-20-24; minus  
 12 (D) the total amount of property taxes to be paid during the  
 13 stated assessment year that will be used to pay for interest or  
 14 principal due on debt that:  
 15 (i) is entered into after December 31, 1983;  
 16 (ii) is not debt that is issued under IC 5-1-5 to refund debt  
 17 incurred before January 1, 1984; and  
 18 (iii) does not constitute debt entered into for the purpose of  
 19 building, repairing, or altering school buildings for which the  
 20 requirements of IC 20-5-52 were satisfied prior to January  
 21 1, 1984; minus  
 22 (E) the amount of property taxes imposed in the county for the  
 23 stated assessment year under the authority of IC 21-2-6  
 24 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
 25 cumulative building fund whose property tax rate was initially  
 26 established or reestablished for a stated assessment year that  
 27 succeeds the 1983 stated assessment year; minus  
 28 (F) the remainder of:  
 29 (i) the total property taxes imposed in the county for the  
 30 stated assessment year under authority of IC 21-2-6  
 31 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a  
 32 cumulative building fund whose property tax rate was not  
 33 initially established or reestablished for a stated assessment  
 34 year that succeeds the 1983 stated assessment year; minus  
 35 (ii) the total property taxes imposed in the county for the  
 36 1984 stated assessment year under the authority of  
 37 IC 21-2-6 (repealed) or any citation listed in  
 38 IC 6-1.1-18.5-9.8 for a cumulative building fund whose  
 39 property tax rate was not initially established or reestablished  
 40 for a stated assessment year that succeeds the 1983 stated  
 41 assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in ~~IC 6-1.1-18.5-13(5)~~ **IC 6-1.1-18.5-13(4)** filed after December 31, 1982; or

- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

- (i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is



- 1 included in the amount determined under IC 12-19-7-4(a)
- 2 STEP SEVEN for property taxes payable in 1995, or for
- 3 property taxes payable in each year after 1995, the amount
- 4 determined under IC 12-19-7-4(b); and
- 5 (ii) the amount of property taxes imposed in the county
- 6 attributable to appeals granted under IC 6-1.1-18.6-3 that is
- 7 included in the amount determined under IC 12-19-7-4(a)
- 8 STEP SEVEN for property taxes payable in 1995, or the
- 9 amount determined under IC 12-19-7-4(b) for property taxes
- 10 payable in each year after 1995; plus
- 11 (2) all taxes to be paid in the county in respect to mobile home
- 12 assessments currently assessed for the year in which the taxes
- 13 stated in the abstract are to be paid; plus
- 14 (3) the amounts, if any, of county adjusted gross income taxes
- 15 that were applied by the taxing units in the county as property tax
- 16 replacement credits to reduce the individual levies of the taxing
- 17 units for the assessment year, as provided in IC 6-3.5-1.1; plus
- 18 (4) the amounts, if any, by which the maximum permissible ad
- 19 valorem property tax levies of the taxing units of the county were
- 20 reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated
- 21 assessment year; plus
- 22 (5) the difference between:
  - 23 (A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR;
  - 24 minus
  - 25 (B) the amount the civil taxing units' levies were increased
  - 26 because of the reduction in the civil taxing units' base year
  - 27 certified shares under IC 6-1.1-18.5-3(e).
- 28 (h) "December settlement sheet" means the certificate of settlement
- 29 filed by the county auditor with the auditor of state, as required under
- 30 IC 6-1.1-27-3.
- 31 (i) "Tax duplicate" means the roll of property taxes which each
- 32 county auditor is required to prepare on or before March 1 of each year
- 33 under IC 6-1.1-22-3.
- 34 (j) "Eligible property tax replacement amount" is equal to the sum of
- 35 the following:
  - 36 (1) Sixty percent (60%) of the total county tax levy imposed by
  - 37 each school corporation in a county for its general fund for a
  - 38 stated assessment year.
  - 39 (2) Twenty percent (20%) of the total county tax levy (less sixty
  - 40 percent (60%) of the levy for the general fund of a school
  - 41 corporation that is part of the total county tax levy) imposed in a

county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

SECTION 37. IC 6-1.1-21-5, AS AMENDED BY P.L.1-2003, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Each year the taxpayers of each county shall receive a credit for property tax replacement in the amount of each taxpayer's property tax replacement credit amount for taxes which:

(1) under IC 6-1.1-22-9 are due and payable in May and November of that year; **or**

**(2) under IC 6-1.1-22-9.5 are due in installments established by the department of local government finance for that year.**

The credit shall be applied to each installment of taxes. The dollar amount of the credit for each taxpayer shall be determined by the

1 county auditor, based on data furnished by the department of local  
2 government finance.

3 (b) The tax liability of a taxpayer for the purpose of computing the  
4 credit for a particular year shall be based upon the taxpayer's tax liability  
5 as is evidenced by the tax duplicate for the taxes payable in that year,  
6 plus the amount by which the tax payable by the taxpayer had been  
7 reduced due to the application of county adjusted gross income tax  
8 revenues to the extent the county adjusted gross income tax revenues  
9 were included in the determination of the total county tax levy for that  
10 year, as provided in sections 2(g) and 3 of this chapter, adjusted,  
11 however, for any change in assessed valuation which may have been  
12 made pursuant to a post-abstract adjustment if the change is set forth  
13 on the tax statement or on a corrected tax statement stating the  
14 taxpayer's tax liability, as prepared by the county treasurer in  
15 accordance with IC 6-1.1-22-8(a). However, except when using the  
16 term under section 2(l)(1) of this chapter, the tax liability of a taxpayer  
17 does not include the amount of any property tax owed by the taxpayer  
18 that is attributable to that part of any property tax levy subtracted under  
19 section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F),  
20 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this  
21 chapter in computing the total county tax levy.

22 (c) The credit for taxes payable in a particular year with respect to  
23 mobile homes which are assessed under IC 6-1.1-7 is equivalent to the  
24 taxpayer's property tax replacement credit amount for the taxes payable  
25 with respect to the assessments plus the adjustments stated in this  
26 section.

27 (d) Each taxpayer in a taxing district that contains all or part of an  
28 economic development district that meets the requirements of section  
29 5.5 of this chapter is entitled to an additional credit for property tax  
30 replacement. This credit is equal to the product of:

- 31 (1) the STEP TWO quotient determined under section 4(a)(3) of  
32 this chapter for the taxing district; multiplied by
- 33 (2) the taxpayer's taxes levied in the taxing district that are  
34 allocated to a special fund under IC 6-1.1-39-5.

35 SECTION 38. IC 6-1.1-22-9 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as  
37 provided in IC 6-1.1-7-7, **section 9.5 of this chapter**, and subsection  
38 (b), the property taxes assessed for a year under this article are due in  
39 two (2) equal installments on May 10 and November 10 of the  
40 following year.

41 (b) A county council may adopt an ordinance to require a person to

1 pay ~~his~~ **the person's** property tax liability in one (1) installment, if the  
 2 tax liability for a particular year is less than twenty-five dollars (\$25).  
 3 If the county council has adopted such an ordinance, then whenever a  
 4 tax statement mailed under section 8 of this chapter shows that the  
 5 person's property tax liability for a year is less than twenty-five dollars  
 6 (\$25) for the property covered by that statement, the tax liability for  
 7 that year is due in one (1) installment on May 10 of that year.

8 (c) If property taxes are not paid on or before the due date, the  
 9 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent  
 10 taxes.

11 (d) Notwithstanding any other law, a property tax liability of less  
 12 than five dollars (\$5) is increased to five dollars (\$5). The difference  
 13 between the actual liability and the five dollar (\$5) amount that appears  
 14 on the statement is a statement processing charge. The statement  
 15 processing charge is considered a part of the tax liability.

16 SECTION 39. IC 6-1.1-22-9.5 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE  
 18 UPON PASSAGE]: **Sec. 9.5. (a) This section applies only to**  
 19 **property taxes first due and payable in a year that begins after**  
 20 **December 31, 2003:**

21 (1) with respect to a homestead (as defined in  
 22 IC 6-1.1-20.9-1); and

23 (2) that are not payable in one (1) installment under section  
 24 9(b) of this chapter.

25 (b) At any time before the mailing or transmission of tax  
 26 statements for a year under section 8 of this chapter, a county  
 27 may petition the department of local government finance to  
 28 establish a schedule of installments for the payment of property  
 29 taxes with respect to:

30 (1) real property that are based on the assessment of the  
 31 property in the immediately preceding year; or

32 (2) a mobile home or manufactured home that is not  
 33 assessed as real property that are based on the assessment  
 34 of the property in the current year.

35 The county fiscal body (as defined in IC 36-1-2-6), the county  
 36 auditor, and the county treasurer must approve a petition under  
 37 this subsection.

38 (c) The department of local government finance:

39 (1) may not establish a date for:

40 (A) an installment payment that is earlier than May 10 of

1           the year in which the tax statement is mailed or  
2           transmitted;

3           (B) the first installment payment that is later than  
4           November 10 of the year in which the tax statement is  
5           mailed or transmitted; or

6           (C) the last installment payment that is later than May 10  
7           of the year immediately following the year in which the  
8           tax statement is mailed or transmitted; and

9           (2) shall:

10           (A) prescribe the form of the petition under subsection

11           (b);

12           (B) determine the information required on the form; and

13           (C) notify the county fiscal body, the county auditor, and  
14           the county treasurer of the department's determination  
15           on the petition not later than twenty (20) days after  
16           receiving the petition.

17           (d) Revenue from property taxes paid under this section in the  
18           year immediately following the year in which the tax statement is  
19           mailed or transmitted under section 8 of this chapter:

20           (1) is not considered in the determination of a levy excess  
21           under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in  
22           which the property taxes are paid; and

23           (2) may be:

24           (A) used to repay temporary loans entered into by a  
25           political subdivision for; and

26           (B) expended for any other reason by a political  
27           subdivision in the year the revenue is received under an  
28           appropriation from;

29           the year in which the tax statement is mailed or transmitted  
30           under section 8 of this chapter.

31           SECTION 40. IC 6-1.1-22.5 IS ADDED TO THE INDIANA CODE  
32           AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON  
33           PASSAGE]:

34           **Chapter 22.5. Provisional Property Tax Statements**

35           **Sec. 1.** As used in this chapter, "commissioner" refers to the  
36           commissioner of the department of local government finance.

37           **Sec. 2.** As used in this chapter, "provisional statement" refers  
38           to a provisional property tax statement required by section 6 of  
39           this chapter.

1       **Sec. 3. As used in this chapter, "property taxes" include special**  
 2       **assessments.**

3       **Sec. 4. As used in this chapter, "reconciling statement" refers**  
 4       **to a reconciling property tax statement required by section 11 of**  
 5       **this chapter.**

6       **Sec. 5. As used in this chapter, "tax liability" includes liability**  
 7       **for special assessments and refers to liability for property taxes**  
 8       **after the application of all allowed deductions and credits.**

9       **Sec. 6. (a) With respect to property taxes payable under this**  
 10       **article on assessments determined for the 2003 assessment date**  
 11       **or the assessment date in any later year, the county treasurer**  
 12       **may, except as provided by section 7 of this chapter, use a**  
 13       **provisional statement under this chapter if the county auditor**  
 14       **fails to deliver the abstract for that assessment date to the county**  
 15       **treasurer under IC 6-1.1-22-5 before March 16 of the year**  
 16       **following the assessment date.**

17       **(b) The county treasurer shall give notice of the provisional**  
 18       **statement, including disclosure of the method that is to be used in**  
 19       **determining the tax liability to be indicated on the provisional**  
 20       **statement, by publication one (1) time:**

21               **(1) in the form prescribed by the department of local**  
 22               **government finance; and**

23               **(2) in the manner described in IC 6-1.1-22-4(b).**

24       **The notice may be combined with the notice required under**  
 25       **section 10 of this chapter.**

26       **Sec. 7. (a) The county auditor of a county or fifty (50) property**  
 27       **owners in the county may, not more than five (5) days after the**  
 28       **publication of the notice required under section 6 of this chapter,**  
 29       **request in writing that the department of local government**  
 30       **finance waive the use of a provisional statement under this**  
 31       **chapter as to that county for a particular assessment date.**

32       **(b) Upon receipt of a request under subsection (a), the**  
 33       **department of local government finance shall give notice of a**  
 34       **hearing concerning the request in the manner provided by**  
 35       **IC 5-3-1. The notice must state:**

36               **(1) the date and time of the hearing;**

37               **(2) the location of the hearing, which must be in the county;**  
 38               **and**

39               **(3) that the purpose of the hearing is to hear:**

- (A) the request of the county treasurer and county auditor to waive the requirements of this chapter; and**
- (B) taxpayers' comments regarding that request.**

**(c) After the hearing, the department of local government finance may waive the use of a provisional statement under this chapter for a particular assessment date as to the county making the request if the department finds that the petitioners have presented sufficient evidence to establish that although the abstract required by IC 6-1.1-22-5 was not delivered in a timely manner:**

**(1) the abstract;**

**(A) was delivered as of the date of the hearing; or**

**(B) will be delivered not later than a date specified by the county auditor and county treasurer; and**

**(2) sufficient time remains or will remain after the date or anticipated date of delivery of the abstract to:**

**(A) permit the timely preparation and delivery of property tax statements in the manner provided by IC 6-1.1-22; and**

**(B) render the use of a provisional statement under this chapter unnecessary.**

**Sec. 8. A provisional statement must:**

**(1) be on a form approved by the state board of accounts;**

**(2) except as provided in emergency rules adopted under section 20 of this chapter, indicate tax liability in the amount of ninety percent (90%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued;**

**(3) indicate:**

**(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and**

**(B) that property taxes billed on the provisional statement:**

**(i) are due and payable in the same manner as property taxes billed on a tax statement under IC 6-1.1-22-8; and**

**(ii) will be credited against a reconciling statement;**

**(4) include a statement in the following or a substantially similar form, as determined by the department of local government finance:**

"Under Indiana law, \_\_\_\_\_ County (insert county) has elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on May 10 and November 10. The statement is based on ninety percent (90%) of your tax liability for taxes payable in (insert year), subject to adjustment for any new construction on your property or any damage to your property. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under IC 6-1.1-22-8 for the May installment of property taxes in the year in which the provisional tax statement is issued; and

(6) include any other information the county treasurer requires.

**Sec. 9.** Except as provided in section 12 of this chapter, property taxes billed on a provisional statement are due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

**Sec. 10.** If a provisional statement is used, the county treasurer shall give notice of tax rates required under IC 6-1.1-22-4 for the reconciling statement.

**Sec. 11.** As soon as possible after the receipt of the abstract referred to in section 6 of this chapter, the county treasurer shall:

(1) give the notice required by IC 6-1.1-22-4; and

(2) mail or transmit reconciling statements under section 12 of this chapter.

**Sec. 12.** (a) Except as provided by subsection (c), each reconciling statement must indicate:



(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

(b) If, upon receipt of the abstract referred to in section 6 of this chapter, the county treasurer determines that it is possible to complete the:

(1) preparation; and

(2) mailing or transmittal;

of the reconciling statement at least thirty (30) days before the due date of the November installment specified in the provisional statement, the county treasurer may request in writing that the department of local government finance permit the county treasurer to issue a reconciling statement that adjusts the amount of the November installment that was specified in the provisional statement. If the department approves the county treasurer's request, the county treasurer shall prepare and mail or transmit the reconciling statement at least thirty (30) days before the due date of the November installment specified in the provisional statement.

(c) A reconciling statement prepared under subsection (b) must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount of the May installment paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), the adjusted amount of the November installment that is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) November 10; or

(ii) if the county treasurer requests in writing that the commissioner designate a later date, the date designated by the commissioner; and

(4) if the amount under subdivision (2) exceeds the amount under subdivision (1), that the taxpayer may claim a refund of the excess under IC 6-1.1-26.

**Sec. 13.** Taxpayers shall make all payments under this chapter to the county treasurer. The board of county commissioners may authorize the county treasurer to open temporary offices to receive payments under this chapter in municipalities in the county other than the county seat.

**Sec. 14.** Not later than fifty-one (51) days after the due date of a provisional or reconciling statement under this chapter, the county auditor shall:

(1) file with the auditor of state a report of settlement; and

(2) distribute tax collections to the appropriate taxing units.

**Sec. 15.** If a county auditor fails to make a distribution of tax collections under section 14 of this chapter, a taxing unit that was to receive a distribution may recover interest on the undistributed tax collections at the same rate and in the same manner that interest may be recovered under IC 6-1.1-27-1(b).

**Sec. 16. IC 6-1.1-15:**

(1) does not apply to a provisional statement; and

(2) applies to a reconciling statement.

**Sec. 17. IC 6-1.1-37-10 applies to:**

(1) a provisional statement; and

(2) a reconciling statement;

in the same manner that IC 6-1.1-37-10 applies to an installment of property taxes.

**Sec. 18.** For purposes of IC 6-1.1-24-1(a)(1):

**(1) the May installment on a provisional statement is considered to be the taxpayer's spring installment of property taxes;**

**(2) except as provided in subdivision (3), payment on a reconciling statement is considered to be due before the due date of the May installment of property taxes payable in the following year; and**

**(3) payment on a reconciling statement described in section 12(b) of this chapter is considered to be the taxpayer's fall installment of property taxes.**

**Sec. 19. The other provisions of this article supplement the provisions of this chapter concerning the collection of property taxes.**

**Sec. 20. For purposes of a provisional statement under this chapter, the department of local government finance may adopt emergency rules under IC 4-22-2-37.1 to provide a methodology for a county treasurer to issue provisional statements with respect to real property, taking into account new construction of improvements placed on the real property, damage, and other losses related to the real property:**

**(1) after March 1 of the year preceding the assessment date to which the provisional statement applies; and**

**(2) before the assessment date to which the provisional statement applies.**

**SECTION 41. IC 6-1.1-31-3, AS AMENDED BY P.L.90-2002, SECTION 219, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. In the preparation of rules, regulations, property tax forms, and property tax returns, the department of local government finance may consider:**

**(1) data compiled by the federal government;**

**(2) data compiled by this state and its taxing authorities;**

**(3) data compiled and studies made by a state college or university;**

**(4) generally accepted practices of appraisers, including generally accepted property assessment valuation and mass appraisal principles and practices;**

**(5) generally accepted indices of construction costs;**

**(6) for assessment dates after February 28, 2001, generally accepted indices of income accruing from real property;**

**(7) sales data compiled for generally comparable properties;**

1 and

2 ~~(7)~~ (8) any other information which is available to the department  
3 of local government finance.

4 SECTION 42. IC 6-1.1-31-5, AS AMENDED BY P.L.90-2002,  
5 SECTION 221, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6 UPON PASSAGE]: Sec. 5. (a) **Subject to this article**, the rules  
7 ~~promulgated~~ **adopted** by the department of local government finance  
8 are the basis for determining the true tax value of tangible property.

9 (b) Local assessing officials, members of the county property tax  
10 assessment board of appeals, and county assessors shall:

- 11 (1) comply with the rules, appraisal manuals, bulletins, and
- 12 directives adopted by the department of local government finance;
- 13 (2) use the property tax forms, property tax returns, and notice
- 14 forms prescribed by the department; and
- 15 (3) collect and record the data required by the department.

16 (c) In assessing tangible property, the township assessors, members  
17 of the county property tax assessment board of appeals, and county  
18 assessors may consider factors in addition to those prescribed by the  
19 department of local government finance if the use of the additional  
20 factors is first approved by the department. Each township assessor, of  
21 the county property tax assessment board of appeals, and the county  
22 assessor shall indicate on his records for each individual assessment  
23 whether:

- 24 (1) only the factors contained in the department's rules, forms,
- 25 and returns have been considered; or
- 26 (2) factors in addition to those contained in the department's rules,
- 27 forms, and returns have been considered.

28 SECTION 43. IC 6-1.1-31-6, AS AMENDED BY P.L.90-2002,  
29 SECTION 222, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
30 UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real  
31 property, the rules of the department of local government finance shall  
32 provide for:

- 33 (1) the classification of land on the basis of:
  - 34 (i) acreage;
  - 35 (ii) lots;
  - 36 (iii) size;
  - 37 (iv) location;
  - 38 (v) use;
  - 39 (vi) productivity or earning capacity;
  - 40 (vii) applicable zoning provisions;
  - 41 (viii) accessibility to highways, sewers, and other public

- 1 services or facilities; and
- 2 (ix) any other factor that the department determines by rule is
- 3 just and proper; and
- 4 (2) the classification of improvements on the basis of:
  - 5 (i) size;
  - 6 (ii) location;
  - 7 (iii) use;
  - 8 (iv) type and character of construction;
  - 9 (v) age;
  - 10 (vi) condition;
  - 11 (vii) cost of reproduction; and
  - 12 (viii) any other factor that the department determines by rule is
  - 13 just and proper.

14 (b) With respect to the assessment of real property, the rules of the  
 15 department of local government finance shall include instructions for  
 16 determining:

- 17 (1) the proper classification of real property;
- 18 (2) the size of real property;
- 19 (3) the effects that location and use have on the value of real
- 20 property;
- 21 (4) the depreciation, including physical deterioration and
- 22 obsolescence, of real property;
- 23 (5) the cost of reproducing improvements;
- 24 (6) the productivity or earning capacity of:
  - 25 **(A) agricultural land; and**
  - 26 **(B) real property regularly used to rent or otherwise**
  - 27 **furnish residential accommodations for periods of thirty**
  - 28 **(30) days or more;**
  - 29 **(7) sales data for generally comparable properties; and**
  - 30 ~~(7)~~ **(8)** the true tax value of real property based on the factors
  - 31 listed in this subsection and any other factor that the department
  - 32 determines by rule is just and proper.

33 (c) With respect to the assessment of real property, true tax value  
 34 does not mean fair market value. **Subject to this article**, true tax value  
 35 is the value determined under the rules of the department of local  
 36 government finance.

37 SECTION 44. IC 6-1.1-31-7, AS AMENDED BY P.L.90-2002,  
 38 SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 UPON PASSAGE]: Sec. 7. (a) With respect to the assessment of  
 40 personal property, the rules of the department of local government  
 41 finance shall provide for the classification of personal property on the

1 basis of:

- 2 (1) date of purchase;
- 3 (2) location;
- 4 (3) use;
- 5 (4) depreciation, obsolescence, and condition; and
- 6 (5) any other factor that the department determines by rule is just
- 7 and proper.

8 (b) With respect to the assessment of personal property, the rules of  
9 the department of local government finance shall include instructions  
10 for determining:

- 11 (1) the proper classification of personal property;
- 12 (2) the effect that location has on the value of personal property;
- 13 (3) the cost of reproducing personal property;
- 14 (4) the depreciation, including physical deterioration and
- 15 obsolescence, of personal property;
- 16 **(5) the productivity or earning capacity of mobile homes**
- 17 **regularly used to rent or otherwise furnish residential**
- 18 **accommodations for periods of thirty (30) days or more;**
- 19 **(6) sales data for generally comparable mobile homes; and**
- 20 ~~(5)~~ **(7) the true tax value of personal property based on the factors**
- 21 **listed in this subsection and any other factor that the department**
- 22 **determines by rule is just and proper.**

23 (c) In providing for the classification of personal property and the  
24 instructions for determining the items listed in subsection (b), the  
25 department of local government finance shall not include the value of  
26 land as a cost of producing tangible personal property subject to  
27 assessment.

28 (d) With respect to the assessment of personal property, true tax  
29 value does not mean fair market value. **Subject to this article**, true tax  
30 value is the value determined under rules of the department of local  
31 government finance.

32 SECTION 45. IC 6-1.1-35-1.1 IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.1. **(a)** Each county  
34 assessor and each elected assessor ~~must be a certified who has not~~  
35 **attained the certification of a "level two" assessor-appraiser under**  
36 **IC 6-1.1-35.5 or must** employ at least one (1) certified "level two"  
37 assessor-appraiser.

38 **(b)** Each elected county assessor, township assessor, or elected  
39 trustee-assessor ~~is expected to~~ **must:**

- 40 **(1)** attain the certification of a "level one" assessor-appraiser

1           **within one (1) year after taking office; and**  
 2           **(2) attain the certification of a "level two" assessor-appraiser**  
 3           **within two (2) years after taking office.**

4           **An assessor or trustee-assessor who does not comply with this**  
 5           **subsection forfeits the assessor's or trustee-assessor's office.**

6           **(c) A county assessor, township assessor, or trustee-assessor**  
 7           **appointed to fill a vacancy resulting from a forfeiture of office**  
 8           **under subsection (b) is subject to the requirements of subsection**  
 9           **(b).**

10          SECTION 46. IC 6-1.1-35.5-1, AS AMENDED BY P.L.90-2002,  
 11          SECTION 253, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 12          MARCH 1, 2004]: Sec. 1. The department of local government finance  
 13          shall conduct an assessor-appraiser examination and certification  
 14          program. **The department shall design and implement the program**  
 15          **in a manner that maximizes the number of certified**  
 16          **assessor-appraisers involved in the assessment process.**

17          SECTION 47. IC 6-1.1-35.5-4, AS AMENDED BY P.L.90-2002,  
 18          SECTION 255, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19          MARCH 1, 2004]: Sec. 4. (a) The level one examination shall be given  
 20          in July, and the level two examination shall be given in August. Both  
 21          level examinations also shall be offered annually immediately following  
 22          the conference of the department of local government finance and at  
 23          any other times that coordinate with training sessions conducted under  
 24          IC 6-1.1-35.2-2. The department of local government finance may also  
 25          give either or both examinations at other times throughout the year.

26          (b) Examinations shall be held each year, at the times prescribed in  
 27          subsection (a), in Indianapolis and at not less than four (4) other  
 28          convenient locations chosen by the department of local government  
 29          finance.

30          (c) The department of local government finance may not limit the  
 31          number of individuals who take the examination and shall provide an  
 32          opportunity for all enrollees at each session to take the examination at  
 33          that session.

34          **(d) The department of local government finance shall:**

35               **(1) give both the level one examination and the level two**  
 36               **examination in an open book format; and**  
 37               **(2) design both examinations to approximate the work an**  
 38               **assessing official is required to perform, including the use of**  
 39               **appropriate computer applications.**

40          SECTION 48. IC 6-1.1-37-9, AS AMENDED BY P.L.198-2001,

SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
UPON PASSAGE]: Sec. 9. (a) This section applies when:

(1) an assessment is made or increased after the date or dates on  
which the taxes for the year for which the assessment is made  
were originally due;

(2) the assessment upon which a taxpayer has been paying taxes  
under IC 6-1.1-15-10(a)(1) or (a)(2) while a petition for review or  
a judicial proceeding has been pending is less than the assessment  
that results from the final determination of the petition for review  
or judicial proceeding; or

(3) the collection of certain ad valorem property taxes has been  
stayed under IC 4-21.5-5-9, and under the final determination of  
the petition for judicial review the taxpayer is liable for at least part  
of those taxes.

(b) Except as provided in subsections (c) and (g), a taxpayer shall  
pay interest on the taxes the taxpayer is required to pay as a result of an  
action or a determination described in subsection (a) at the rate of ten  
percent (10%) per year from the original due date or dates for those  
taxes to:

(1) the date of payment; or

(2) the date on which penalties for the late payment of a tax  
installment may be charged under subsection (e) or (f);

whichever occurs first.

(c) Except as provided in subsection (g), a taxpayer shall pay  
interest on the taxes the taxpayer is ultimately required to pay in excess  
of the amount that the taxpayer is required to pay under  
IC 6-1.1-15-10(a)(1) while a petition for review or a judicial proceeding  
has been pending at the overpayment rate established under Section  
6621(c)(1) of the Internal Revenue Code in effect on the original due  
date or dates for those taxes from the original due date or dates for  
those taxes to:

(1) the date of payment; or

(2) the date on which penalties for the late payment of a tax  
installment may be charged under subsection (e) or (f);

whichever occurs first.

(d) With respect to an action or determination described in  
subsection (a), the taxpayer shall pay the taxes resulting from that  
action or determination and the interest prescribed under subsection (b)  
or (c) on or before:

(1) the next May 10; or

(2) the next November 10;



1       whichever occurs first.

2       (e) A taxpayer shall, **to the extent that the penalty is not waived**  
 3 **under section 10.5 of this chapter**, begin paying the penalty  
 4 prescribed in section 10 of this chapter on the day after the date for  
 5 payment prescribed in subsection (d) if:

6           (1) the taxpayer has not paid the amount of taxes resulting from  
 7 the action or determination; and

8           (2) the taxpayer either:

9               (A) received notice of the taxes the taxpayer is required to pay  
 10 as a result of the action or determination at least thirty (30)  
 11 days before the date for payment; or

12               (B) voluntarily signed and filed an assessment return for the  
 13 taxes.

14       (f) If subsection (e) does not apply, a taxpayer who has not paid the  
 15 amount of taxes resulting from the action or determination shall, **to the**  
 16 **extent that the penalty is not waived under section 10.5 of this**  
 17 **chapter**, begin paying the penalty prescribed in section 10 of this  
 18 chapter on:

19           (1) the next May 10 which follows the date for payment  
 20 prescribed in subsection (d); or

21           (2) the next November 10 which follows the date for payment  
 22 prescribed in subsection (d);

23       whichever occurs first.

24       (g) A taxpayer is not subject to the payment of interest on real  
 25 property assessments under subsection (b) or (c) if:

26           (1) an assessment is made or increased after the date or dates on  
 27 which the taxes for the year for which the assessment is made  
 28 were due;

29           (2) the assessment or the assessment increase is made as the  
 30 result of error or neglect by the assessor or by any other official  
 31 involved with the assessment of property or the collection of  
 32 property taxes; and

33           (3) the assessment:

34               (A) would have been made on the normal assessment date if  
 35 the error or neglect had not occurred; or

36               (B) increase would have been included in the assessment on the  
 37 normal annual assessment date if the error or neglect had not  
 38 occurred.

39       SECTION 49. IC 6-1.1-37-10, AS AMENDED BY P.L.90-2002,  
 40 SECTION 262, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 41 UPON PASSAGE]: Sec. 10. (a) **Except as provided in section 10.5 of**

**this chapter**, if an installment of property taxes is not completely paid on or before the due date, a penalty equal to ten percent (10%) of the amount of delinquent taxes shall be added to the unpaid portion in the year of the initial delinquency.

**(b) With respect to property taxes due in two (2) equal installments under IC 6-1.1-22-9(a)**, on the day immediately following the due dates in May and November of each year following the year of the initial delinquency, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added. **With respect to property taxes due in installments under IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%) of any taxes remaining unpaid shall be added on the day immediately following each date that succeeds the last installment due date by:**

**(1) six (6) months; or**

**(2) a multiple of six (6) months.**

**(c) ~~These~~ The penalties under subsection (b)** are imposed only on the principal amount of the delinquent taxes. ~~However,~~

**(d)** If the department of local government finance determines that an emergency has occurred which precludes the mailing of the tax statement in any county at the time set forth in IC 6-1.1-22-8, the department shall establish by order a new date on which the installment of taxes in that county is due and no installment is delinquent if paid by the date so established.

~~(b)~~ **(e)** If any due date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the act that must be performed by that date is timely if performed by the next succeeding day that is not a Saturday, a Sunday, or one (1) of those holidays.

~~(c)~~ **(f)** A payment to the county treasurer is considered to have been paid by the due date if the payment is:

(1) received on or before the due date to the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in the United States mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) certified or postmarked by the United States Postal Service as mailed on or before the due date; or

(3) deposited with a nationally recognized express parcel carrier

and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

SECTION 50. IC 6-1.1-37-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. (a) This section applies only to property taxes first due and payable in 2004 with respect to a homestead (as defined in IC 6-1.1-20.9-1).**

**(b) A county may petition the department of local government finance to waive all or part of the penalty imposed under section 10(a) of this chapter. The county fiscal body (as defined in IC 36-1-2-6), the county auditor, and the county treasurer must approve a petition under this subsection.**

**(c) The department of local government finance shall:**

**(1) prescribe the form of the petition under subsection (b);**

**(2) determine the information required on the form; and**

**(3) notify the county fiscal body, the county auditor, and the county treasurer of the department's determination on the petition not later than thirty (30) days after receipt of the petition.**

SECTION 51. IC 6-1.1-39-6, AS AMENDED BY P.L. 192-2002(ss), SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by IC 6-1.1-21-5. However, subject to subsection (c) and except as provided in subsection (f), each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. Except as provided in subsection (f), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the**

amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

(1) does not apply in a specified additional area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified additional area.

(d) Whenever the county fiscal body determines that granting the full additional credit under subsection (a) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that economic development district in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the county fiscal body must adopt an ordinance under subsection (c) to

1 deny the additional credit or reduce the additional credit to a level that  
 2 creates a reasonable expectation that the bonds or other obligations will  
 3 be paid when due. An ordinance adopted under subsection (c) denies or  
 4 reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first  
 5 due and payable in any year following the year in which the ordinance  
 6 is adopted.

7 (e) An ordinance adopted under subsection (c) remains in effect until  
 8 the ordinance is rescinded by the body that originally adopted the  
 9 ordinance. However, an ordinance may not be rescinded if the  
 10 rescission would adversely affect the interests of the holders of bonds  
 11 or other obligations that are payable from allocated tax proceeds in that  
 12 economic development district in a way that would create a reasonable  
 13 expectation that the principal of or interest on the bonds or other  
 14 obligations would not be paid when due. If an ordinance is rescinded  
 15 and no other ordinance is adopted, the additional credit described in  
 16 subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due  
 17 and payable in each year following the year in which the resolution is  
 18 rescinded.

19 **(f) This subsection applies to an additional area only to the**  
 20 **extent that the net assessed value of property that is assessed as**  
 21 **residential property under the rules of the department of local**  
 22 **government finance is not included in the base assessed value. If**  
 23 **property tax installments with respect to a homestead (as defined**  
 24 **in IC 6-1.1-20.9-1) are due in installments established by the**  
 25 **department of local government finance under IC 6-1.1-22-9.5,**  
 26 **each taxpayer subject to those installments in an additional area**  
 27 **is entitled to an additional credit under subsection (a) for the**  
 28 **taxes (as defined in IC 6-1.1-21-2) due in installments. The credit**  
 29 **shall be applied in the same proportion to each installment of**  
 30 **taxes (as defined in IC 6-1.1-21-2).**

31 SECTION 52. IC 8-22-3.5-10, AS AMENDED BY  
 32 P.L.192-2002(ss), SECTION 147, IS AMENDED TO READ AS  
 33 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except in a  
 34 county described in section 1(5) of this chapter **and except as**  
 35 **provided in subsection (d),** if the commission adopts the provisions of  
 36 this section by resolution, each taxpayer in the airport development zone  
 37 is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2)  
 38 that, under IC 6-1.1-22-9, are due and payable in May and November  
 39 of that year. **Except as provided in subsection (d),** one-half (1/2) of  
 40 the credit shall be applied to each installment of taxes (as defined in

IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

**(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under**

**IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).**

SECTION 53. IC 12-13-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. For taxes first due and payable in each year after ~~1990~~, **2003**, each county shall impose a medical assistance property tax levy equal to the product of:

(1) the medical assistance property tax levy imposed for taxes first due and payable in the preceding year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year;** multiplied by

(2) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

**If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

SECTION 54. IC 12-19-7-4, AS AMENDED BY P.L.90-2002, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. ~~(a) For taxes first due and payable in 1995;~~ **each county must impose a county family and children property tax levy equal to the amount determined using the following formula:**

**STEP ONE:** Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money); as determined by the state board of accounts, in ~~1991, 1992, and 1993~~ for the following:

~~(A) Payments for administrative expenses of the county office of family and children in administering the provision of child services;~~

~~(B) Payments for the services described in section 4 of this chapter that were made on behalf of the children described in section 4 of this chapter and for which payment was made~~

from the county welfare fund:

(C) Payment for the facilities, supplies, and equipment needed for the provision of child services as operated by the county office of family and children:

(D) Payment of all other expenses incurred in providing child services that were paid by the county office of family and children:

STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to:

(A) the county welfare administration fund and used to pay expenses for administration, facilities, supplies, and equipment for the provision of child services in 1991, 1992, and 1993; and

(B) the county welfare fund, the county general fund, or the county welfare loan fund (whichever of the funds applies) and used to pay the costs of providing child services in 1991, 1992, and 1993:

STEP THREE: Divide the amount determined in STEP TWO by three (3):

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 1993 expenses only:

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the department of local government finance under subsection (c):

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1995; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1995:

STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 1995, as determined under IC 6-1.1-18.5-2:

(b) (a) For taxes first due and payable in each year after 1995, 2003, each county shall impose a county family and children property tax levy



1 equal to the product of:

2 (1) the county family and children property tax levy imposed for  
 3 taxes first due and payable in the preceding year, **as that levy was**  
 4 **determined by the department of local government finance**  
 5 **in fixing the civil taxing unit's budget, levy, and rate for that**  
 6 **preceding calendar year under IC 6-1.1-17 and after**  
 7 **eliminating the effects of temporary excessive levy appeals**  
 8 **and any other temporary adjustments made to the levy for**  
 9 **the calendar year; multiplied by**

10 (2) the greater of:

11 (A) the county's assessed value growth quotient for the  
 12 ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

13 (B) one (1).

14 When a year in which a statewide general reassessment of real property  
 15 first becomes effective is the year preceding the year that the property  
 16 tax levy under this subsection will be first due and payable, the amount  
 17 to be used in subdivision (2) equals the average of the amounts used in  
 18 determining the two (2) most recent adjustments in the county's levy  
 19 under this section. **If the amount levied in a particular year exceeds**  
 20 **the amount necessary to cover the costs payable from the fund,**  
 21 **the levy in the following year shall be reduced by the amount of**  
 22 **surplus money.**

23 ~~(c) For taxes first due and payable in 1995 and in 1996, the~~  
 24 ~~department of local government finance shall adjust the levy for each~~  
 25 ~~county to reflect the county's actual child services expenses incurred~~  
 26 ~~in providing child services in 1991, 1992, and 1993. In making this~~  
 27 ~~adjustment, the department of local government finance may consider~~  
 28 ~~all relevant information, including the county's use of bond and loan~~  
 29 ~~proceeds to pay these expenses.~~

30 ~~(d)~~ **(b)** The department of local government finance shall review  
 31 each county's property tax levy under this section and shall enforce the  
 32 requirements of this section with respect to that levy.

33 SECTION 55. IC 12-19-7.5-6, AS ADDED BY P.L.224-2003,  
 34 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 35 UPON PASSAGE]: Sec. 6. (a) For taxes first due and payable in 2004,  
 36 each county must impose a county children's psychiatric residential  
 37 services property tax levy equal to the amount determined using the  
 38 following formula:

39 STEP ONE: Determine the sum of the amounts that were paid by  
 40 the county minus the amounts reimbursed by the state (including  
 41 reimbursements made with federal money), as determined by the

state board of accounts in 2000, 2001, and 2002 for payments to facilities licensed under 470 IAC 3-13 for services that were made on behalf of the children and for which payment was made from the county family and children fund, or five percent (5%) of the average family and children budget, as determined by the department of local government finance in 2000, 2001, and 2002, whichever is greater.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to the county family and children fund and used to pay the costs for providing services in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 2002 expenses only.

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the department of local government finance under subsection (c).

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 2003.

STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 2004, as determined under IC 6-1.1-18.5-2.

(b) For taxes first due and payable in each year after 2004, each county shall impose a county children's psychiatric residential treatment services property tax levy equal to the product of:

(1) the county children's psychiatric residential treatment services property tax levy imposed for taxes first due and payable in the preceding year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year;** multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. **If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

(c) For taxes first due and payable in 2004, the department of local government finance shall adjust the levy for each county to reflect the county's actual expenses incurred in providing services to children in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002. In making this adjustment, the department of local government finance may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.

(d) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 56. IC 12-29-2-2, AS AMENDED BY P.L.170-2002, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Subject to ~~subsection~~ **subsections (b), (c), and (d)**, a county shall fund the operation of community mental health centers in an amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, unless a lower tax rate will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after ~~calendar year~~ 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which **an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5** or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the **annual adjustment or** general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (**0.01%**)) in the assessed value (**before the adjustment, if any, under IC 6-1.1-4-4.5**) of the taxable property from the year preceding the year the **annual adjustment or** general reassessment takes effect to the year that the **annual adjustment or** general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (**0.01%**)) in the assessed value (**before the adjustment, if any, under IC 6-1.1-4-4.5**) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which **an annual adjustment under IC 6-1.1-4-4.5** or a general reassessment of property will take effect.

1       (c) With respect to a county to which subsection (b) does not  
 2       apply, the maximum tax rate permitted under subsection (a) for  
 3       taxes first due and payable in calendar year 2004 and calendar  
 4       year 2005 is the maximum tax rate that would have been  
 5       determined under subsection (d) for taxes first due and payable in  
 6       2003 if subsection (d) had applied to the county for taxes first due  
 7       and payable in 2003.

8       (d) This subsection applies only to a county to which subsection  
 9       (b) does not apply. The tax rate permitted under subsection (a) for  
 10      taxes first due and payable after calendar year 2005 is the tax rate  
 11      permitted under subsection (c) as adjusted under this subsection.  
 12      For each year in which an annual adjustment of the assessed  
 13      value of real property will take effect under IC 6-1.1-4-4.5 or a  
 14      general reassessment of property will take effect, the department  
 15      of local government finance shall compute the maximum rate  
 16      permitted under subsection (a) as follows:

17       STEP ONE: Determine the maximum rate for the year  
 18       preceding the year in which the annual adjustment or general  
 19       reassessment takes effect.

20       STEP TWO: Determine the actual percentage increase  
 21       (rounded to the nearest one-hundredth percent (0.01%)) in  
 22       the assessed value (before the adjustment, if any, under  
 23       IC 6-1.1-4-4.5) of the taxable property from the year  
 24       preceding the year the annual adjustment or general  
 25       reassessment takes effect to the year that the annual  
 26       adjustment or general reassessment is effective.

27       STEP THREE: Determine the three (3) calendar years that  
 28       immediately precede the ensuing calendar year and in which  
 29       a statewide general reassessment of real property does not  
 30       first become effective.

31       STEP FOUR: Compute separately, for each of the calendar  
 32       years determined under STEP THREE, the actual percentage  
 33       increase (rounded to the nearest one-hundredth percent  
 34       (0.01%)) in the assessed value (before the adjustment, if  
 35       any, under IC 6-1.1-4-4.5) of the taxable property from the  
 36       preceding year.

37       STEP FIVE: Divide the sum of the three (3) quotients  
 38       computed under STEP FOUR by three (3).

39       STEP SIX: Determine the greater of the following:

1 (A) Zero (0).

2 (B) The result of the STEP TWO percentage minus the  
3 STEP FIVE percentage.

4 STEP SEVEN: Determine the quotient of:

5 (A) the STEP ONE tax rate; divided by

6 (B) one (1) plus the STEP SIX percentage increase.

7 This maximum rate is the maximum rate under this section until  
8 a new maximum rate is computed under this subsection for the  
9 next year in which an annual adjustment under IC 6-1.1-4-4.5 or  
10 a general reassessment of property will take effect.

11 SECTION 57. IC 12-29-2-5 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The maximum  
13 appropriation determined under section 3 or 4 of this chapter represents  
14 the county's absolute proportional share of each center's total operating  
15 budget.

16 (b) If the proportional share is less than the ~~four cent (\$0.04)~~  
17 ~~requirement in amount of property taxes raised under the tax rate~~  
18 ~~required under~~ section 2 of this chapter, the county shall appropriate  
19 only the maximum appropriation amount.

20 (c) If the proportional share is more than the ~~four cent (\$0.04)~~  
21 ~~requirement in amount of property taxes raised under the tax rate~~  
22 ~~required under~~ section 2 of this chapter, the county:

23 (1) shall ~~satisfy the four cent (\$0.04) equivalent appropriation~~  
24 ~~appropriate that amount; and~~

25 (2) may appropriate an ~~additional amount in excess of the four~~  
26 ~~cent (\$0.04) equivalent appropriation up to an amount added to the~~  
27 ~~four cent (\$0.04) equivalent appropriation that would equal a ten~~  
28 ~~cent (\$0.10) equivalent appropriation; the amount of property~~  
29 ~~taxes raised by a tax rate of three and one-third cents (\$0.03~~  
30 ~~1/3).~~

31 SECTION 58. IC 16-35-3-3, AS AMENDED BY P.L.90-2002,  
32 SECTION 401, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
33 UPON PASSAGE]: Sec. 3. (a) ~~For taxes first due and payable in 1992;~~  
34 ~~each county must impose a children with special health care needs~~  
35 ~~property tax levy equal to the amount determined using the following~~  
36 ~~formula:~~

37 STEP ONE: Determine the sum of the amounts that were paid by  
38 the county minus the amounts reimbursed by the state (including  
39 reimbursements made with federal money); as determined by the  
40 state board of accounts, in 1988, 1989, and 1990 for the

1 following:

2 (A) Payments for administrative expenses of the county office  
3 of family and children in the administration of the children with  
4 special health care needs program.

5 (B) Payment for the facilities, supplies, and equipment needed  
6 for the children with special health care needs program as  
7 operated by the county office of family and children.

8 (C) Payment of all other expenses under the children with  
9 special health care needs program that were paid by the county  
10 office of family and children.

11 STEP TWO: Subtract from the amount determined in STEP ONE  
12 the sum of the miscellaneous taxes that were allocated to:

13 (A) the county welfare administration fund and used to pay  
14 expenses for administration, facilities, supplies, and equipment  
15 for the children with special health care needs program in  
16 1988, 1989, and 1990; and

17 (B) the county welfare fund and used to pay all other costs of  
18 the children with special health care needs program in 1988,  
19 1989, and 1990.

20 STEP THREE: Divide the amount determined in STEP TWO by  
21 three (3).

22 STEP FOUR: Calculate the STEP ONE amount and the STEP  
23 TWO amount for 1990 expenses only.

24 STEP FIVE: Adjust the amounts determined in STEP THREE and  
25 STEP FOUR by the amount determined by the state board of tax  
26 commissioners under subsection (c).

27 STEP SIX: Determine whether the amount calculated in STEP  
28 THREE, as adjusted in STEP FIVE, or the amount calculated in  
29 STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the  
30 greater amount by the greater of:

31 (A) the assessed value growth quotient determined under  
32 IC 6-1.1-18.5-2 for the county for property taxes first due and  
33 payable in 1992; or

34 (B) the statewide average assessed value growth quotient using  
35 the county assessed value growth quotients determined under  
36 IC 6-1.1-18.5-2 for property taxes first due and payable in  
37 1992.

38 STEP SEVEN: Multiply the amount determined in STEP SIX by  
39 the county's assessed value growth quotient for property taxes  
40 first due and payable in 1992, as determined under  
41 IC 6-1.1-18.5-2.

~~(b)~~ (a) For taxes first due and payable in each year after ~~1992~~, 2003, each county shall impose a children with special health care needs property tax levy equal to the product of:

(1) the children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year, as **that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year;** multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. **If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

~~(c)~~ For taxes first due and payable in 1992 and in 1993, the state board of tax commissioners shall adjust the levy for each county to reflect the county's actual welfare expenses for administration, facilities, supplies, equipment, and all other costs for the children with special health care needs program in 1988, 1989, and 1990. In making this adjustment, the state board of tax commissioners may consider all relevant information. This includes the county's use of bond and loan proceeds to pay these expenses.

~~(d)~~ (b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 59. IC 20-5.5-7-3, AS AMENDED BY P.L.276-2003, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the



department the following information on a form prescribed by the department:

- (1) The number of students enrolled in the charter school.
- (2) The name and address of each student.
- (3) The name of the school corporation in which the student has legal settlement.
- (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.
- (5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the amount determined under IC 21-3-1.7 for the charter school. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution under IC 21-3-1.7.

(c) The department shall provide to the department of local government finance the following information:

- (1) For each county, the number of students who:
  - (A) have legal settlement in the county; and
  - (B) attend a charter school.
- (2) The school corporation in which each student described in subdivision (1) has legal settlement.
- (3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.
- (4) The amount determined under ~~IC 6-1.1-19-1.5(g)~~ **IC 6-1.1-19-1.5(f)** STEP EIGHT for 2004 and IC 6-1.1-19-1.5(b) STEP SIX for 2005 for each school corporation described in subdivision (2).
- (5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

- (A) the amount determined under IC 21-3-1.7-6.7(d) or IC 21-3-1.7-6.7(e) for a charter school described in subdivision (3); multiplied by
- (B) thirty-five hundredths (0.35).

STEP TWO: Determine the product of:

- (A) the STEP ONE amount; multiplied by
- (B) the current ADM of a charter school described in subdivision (3).

(6) The amount determined under STEP THREE of the following formula:

STEP ONE: Determine the number of students described in subdivision (1) who:

(A) attend the same charter school; and

(B) have legal settlement in the same school corporation located in the county.

STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described in STEP ONE (A).

STEP THREE: Determine the product of:

(A) the STEP ONE amount; multiplied by

(B) the STEP TWO amount.

SECTION 60. IC 21-1-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The common school fund and the permanent endowment fund which is, at any time, in the custody of the treasurer of state, and subject to the management and control of the state board of finance, except as hereinafter provided, shall be invested ~~as follows:~~ **in:**

(1) ~~in~~ bonds, notes, certificates and other valid obligations of the United States;

(2) ~~in~~ bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the United States;

(3) ~~in~~ bonds, notes, certificates and other valid obligations of any state of the United States or of any county, township, city, town or other political subdivision of the state of Indiana which are issued pursuant to law, the issuers of which, for five (5) years prior to the date of such investment, have promptly paid the principal and interest on their bonds and other legal obligations in lawful money of the United States; **or**

**(4) bonds, notes, or other securities issued by the Indiana bond bank and described in IC 5-13-10.5-11(3).**

When it shall occur in any county of this state not having elected to surrender custody of any part of the common and permanent endowment funds to the state, that there is an insufficient amount of said funds held in trust in such county and unloaned, when added to the amount of congressional fund then held in trust and unloaned, as shown by a report of the auditor and treasurer of the county, to make all loans for which the county auditor has applications, upon petition of the board of commissioners of any such county, the state board of finance may allocate to the county making application therefor such amount as the said state board of finance may deem necessary.

SECTION 61. IC 21-2-11.5-3, AS AMENDED BY P.L.192-2002(ss), SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), each school corporation may levy for the calendar year a property tax for the school transportation fund sufficient to pay all operating costs attributable to transportation that:

(1) are not paid from other revenues available to the fund as specified in section 4 of this chapter; and

(2) are listed in section 2(a)(1) through 2(a)(7) of this chapter.

(b) For each year after ~~2002~~, **2003**, the levy for the fund may not exceed the levy for the previous year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year**, multiplied by the assessed value growth quotient determined under STEP FOUR of the following formula:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 or IC 6-1.1-17-5.6 for part or all of the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

**If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

(c) Each school corporation may levy for the calendar year a tax for the school bus replacement fund in accordance with the school bus acquisition plan adopted under section 3.1 of this chapter.

(d) The tax rate and levy for each fund shall be established as a part of the annual budget for the calendar year in accord with IC 6-1.1-17.

SECTION 62. IC 21-3-1.7-6.8, AS AMENDED BY P.L.276-2003, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

UPON PASSAGE]: Sec. 6.8. (a) This section does not apply to a charter school.

(b) This subsection does not apply after December 31, 2003. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:

STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(d) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:

(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.

(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the result determined in STEP ONE of the formula in section 6.7(d) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter is equal to STEP ONE of the formula in section 6.7(d) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(ii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new

- 1 school facility during the preceding year.
- 2 (B) Divide the clause (A) result by the school corporation's
- 3 current ADM.
- 4 (C) Divide the school corporation's 2002 assessed valuation by
- 5 the school corporation's current ADM.
- 6 (D) Divide the clause (C) result by ten thousand (10,000).
- 7 (E) Determine the greater of the following:
- 8 (i) The clause (D) result.
- 9 (ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars
- 10 and seventy-five cents (\$39.75) in 2003.
- 11 (F) Divide the clause (B) result by the clause (E) amount.
- 12 (G) Divide the clause (F) result by one hundred (100).
- 13 STEP THREE: Determine the sum of:
- 14 (A) ninety-one and eight-tenths cents (\$0.918) in 2002; and
- 15 (B) ninety-five and eight-tenths cents (\$0.958) in 2003; and
- 16 if applicable, the STEP ONE or STEP TWO result.
- 17 (c) This subsection applies to calendar years beginning after
- 18 December 31, 2004. A school corporation's target general fund
- 19 property tax rate for purposes of IC 6-1.1-19-1.5 is the result
- 20 determined under STEP FOUR of the following formula:
- 21 STEP ONE: Determine the amount determined for the school
- 22 corporation in STEP ONE of the formula in section 6.7(e) of this
- 23 chapter.
- 24 STEP TWO: This STEP applies only if the amount determined in
- 25 STEP EIGHT of the formula in section 6.7(e) of this chapter
- 26 minus the STEP ONE result is greater than zero (0). Determine the
- 27 result under clause (E) of the following formula:
- 28 (A) Divide the school corporation's assessed valuation by the
- 29 school corporation's current ADM.
- 30 (B) Divide the clause (A) result by ten thousand (10,000).
- 31 (C) Determine the greater of the following:
- 32 (i) The clause (B) result.
- 33 (ii) Forty-three dollars and sixty-five cents (\$43.65).
- 34 (D) Determine the result determined under item (ii) of the
- 35 following formula:
- 36 (i) Subtract the STEP ONE result from the amount
- 37 determined in STEP EIGHT of the formula in section 6.7(e)
- 38 of this chapter.
- 39 (ii) Divide the item (i) result by the school corporation's
- 40 current ADM.
- 41 (E) Divide the clause (D) result by the clause (C) result.

1 (F) Divide the clause (E) result by one hundred (100).  
 2 STEP THREE: This STEP applies only if the amount determined  
 3 in STEP EIGHT of the formula in section 6.7(e) of this chapter is  
 4 equal to the STEP ONE result and the result of clause (A) is  
 5 greater than zero (0). Determine the result under clause (G) of the  
 6 following formula:

- 7 (A) Add the following:
- 8 (i) An amount equal to the annual decrease in federal aid to
  - 9 impacted areas from the year preceding the ensuing calendar
  - 10 year by three (3) years to the year preceding the ensuing
  - 11 calendar year by two (2) years.
  - 12 (ii) The part of the maximum general fund levy for the year
  - 13 that equals the original amount of the levy imposed by the
  - 14 school corporation to cover the costs of opening a new
  - 15 school facility during the preceding year.
- 16 (B) Divide the clause (A) result by the school corporation's
- 17 current ADM.
- 18 (C) Divide the school corporation's assessed valuation by the
- 19 school corporation's current ADM.
- 20 (D) Divide the clause (C) result by ten thousand (10,000).
- 21 (E) Determine the greater of the following:
- 22 (i) The clause (D) result.
  - 23 (ii) Forty-three dollars and sixty-five cents (\$43.65).
- 24 (F) Divide the clause (B) result by the clause (E) amount.
- 25 (G) Divide the clause (F) result by one hundred (100).

26 STEP FOUR: Determine the sum of sixty-three and seven-tenths  
 27 cents (\$0.637) and, if applicable, the STEP TWO or STEP  
 28 THREE result.

29 ~~(c)~~ **(d)** For the calendar year beginning January 1, 2004, and ending  
 30 December 31, 2004, a school corporation's general fund ad valorem  
 31 property tax levy is determined under ~~IC 6-1.1-19-1.5(g)~~.  
 32 **IC 6-1.1-19-1.5(f).**

33 SECTION 63. IC 36-2-15-2 IS AMENDED TO READ AS  
 34 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A county assessor  
 35 shall be elected under IC 3-10-2-13 by the voters of the county.

36 (b) To be eligible to serve as an assessor, a person must meet the  
 37 qualifications prescribed by IC 3-8-1-23 **and IC 6-1.1-35-1.1.**

38 (c) A county assessor must reside within the county as provided in  
 39 Article 6, Section 6 of the Constitution of the State of Indiana. The  
 40 assessor forfeits office if the assessor ceases to be a resident of the  
 41 county **or fails to comply with IC 6-1.1-35-1.1.**

(d) The term of office of a county assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified.

SECTION 64. IC 36-6-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A township trustee shall be elected under IC 3-10-2-13 by the voters of each township. The trustee is the township executive.

(b) The township trustee must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The trustee forfeits office if the trustee:

(1) ceases to be a resident of the township; or

**(2) serves as township assessor under IC 36-6-5-2 and fails to comply with IC 6-1.1-35-1.1.**

(c) The term of office of a township trustee is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified.

SECTION 65. IC 36-6-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A township assessor shall be elected under IC 3-10-2-13 by the voters of each township having:

(1) a population of more than eight thousand (8,000); or

(2) an elected township assessor or the authority to elect a township assessor before January 1, 1979.

(b) A township assessor shall be elected under IC 3-10-2-14 in each township having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if the legislative body of the township:

(1) by resolution, declares that the office of township assessor is necessary; and

(2) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2.

(c) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township **or fails to comply with the requirements of IC 6-1.1-35-1.1.**

(d) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified. However, the term of office of a township assessor elected at a general election in which no other township officer

1 is elected ends on December 31 after the next election in which any  
2 other township officer is elected.

3 SECTION 66. IC 36-7-14-39.5, AS AMENDED BY  
4 P.L.192-2002(SS), SECTION 178, IS AMENDED TO READ AS  
5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39.5. (a) As used in  
6 this section, "allocation area" has the meaning set forth in section 39 of  
7 this chapter.

8 (b) As used in this section, "taxing district" has the meaning set forth  
9 in IC 6-1.1-1-20.

10 (c) Subject to subsection (e) **and except as provided in subsection**  
11 **(h)**, each taxpayer in an allocation area is entitled to an additional credit  
12 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due  
13 and payable in May and November of that year. **Except as provided in**  
14 **subsection (h)**, one-half (1/2) of the credit shall be applied to each  
15 installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the  
16 amount determined under the following STEPS for each taxpayer in a  
17 taxing district that contains all or part of the allocation area:

18 STEP ONE: Determine that part of the sum of the amounts under  
19 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2),  
20 IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and  
21 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

22 STEP TWO: Divide:

23 (A) that part of each county's eligible property tax replacement  
24 amount (as defined in IC 6-1.1-21-2) for that year as  
25 determined under IC 6-1.1-21-4 that is attributable to the taxing  
26 district; by

27 (B) the STEP ONE sum.

28 STEP THREE: Multiply:

29 (A) the STEP TWO quotient; times

30 (B) the total amount of the taxpayer's taxes (as defined in  
31 IC 6-1.1-21-2) levied in the taxing district that would have  
32 been allocated to an allocation fund under section 39 of this  
33 chapter had the additional credit described in this section not  
34 been given.

35 The additional credit reduces the amount of proceeds allocated to the  
36 redevelopment district and paid into an allocation fund under section  
37 39(b)(2) of this chapter.

38 (d) If the additional credit under subsection (c) is not reduced under  
39 subsection (e) or (f), the credit for property tax replacement under  
40 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be  
41 computed on an aggregate basis for all taxpayers in a taxing district that



contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

**(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined**

in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 67. IC 36-7-15.1-26.5, AS AMENDED BY P.L.192-2002(ss), SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), ~~and (i), and (j)~~, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. **Except as provided in subsection (j)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's † eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

1 (B) the total amount of the taxpayer's taxes (as defined in  
 2 IC 6-1.1-21-2) levied in the taxing district that would have  
 3 been allocated to an allocation fund under section 26 of this  
 4 chapter had the additional credit described in this section not  
 5 been given.

6 The additional credit reduces the amount of proceeds allocated to the  
 7 redevelopment district and paid into the special fund.

8 (f) The credit for property tax replacement under IC 6-1.1-21-5 and  
 9 the additional credits under subsections (e), (g), (h), and (i), unless the  
 10 credits under subsections (g) and (h) are partial credits, shall be  
 11 computed on an aggregate basis for all taxpayers in a taxing district that  
 12 contains all or part of an allocation area. Except as provided in  
 13 subsections (h) and (i), the credit for property tax replacement under  
 14 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),  
 15 and (i) shall be combined on the tax statements sent to each taxpayer.

16 (g) This subsection applies to an allocation area if allocated taxes  
 17 from that area were pledged to bonds, leases, or other obligations of the  
 18 commission before May 8, 1989. A credit calculated using the method  
 19 provided in subsection (e) may be granted under this subsection. The  
 20 credit provided under this subsection is first applicable for the allocation  
 21 area for property taxes first due and payable in 1992. The following  
 22 apply to the determination of the credit provided under this subsection:

23 (1) Before June 15 of each year, the fiscal officer of the  
 24 consolidated city shall determine and certify the following:

25 (A) All amounts due in the following year to the owners of  
 26 outstanding bonds payable from the allocation area special  
 27 fund.

28 (B) All amounts that are:

29 (i) required under contracts with bond holders; and  
 30 (ii) payable from the allocation area special fund to fund  
 31 accounts and reserves.

32 (C) An estimate of the amount of personal property taxes  
 33 available to be paid into the allocation area special fund under  
 34 section 26.9(c) of this chapter.

35 (D) An estimate of the aggregate amount of credits to be  
 36 granted if full credits are granted.

37 (2) Before June 15 of each year, the fiscal officer of the  
 38 consolidated city shall determine if the granting of the full amount  
 39 of credits in the following year would impair any contract with or  
 40 otherwise adversely affect the owners of outstanding bonds  
 41 payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes

1 from that area were pledged to bonds, leases, or other obligations of the  
2 commission before May 8, 1989. A credit calculated using the method  
3 in subsection (e) and in subdivision (2) may be granted under this  
4 subsection. The following apply to the credit granted under this  
5 subsection:

6 (1) The credit is applicable to property taxes first due and payable  
7 in 1991.

8 (2) For purposes of this subsection, the amount of a credit for  
9 1990 taxes payable in 1991 with respect to an affected taxpayer  
10 is equal to:

11 (A) the amount of the quotient determined under STEP TWO  
12 of subsection (e); multiplied by

13 (B) the total amount of the property taxes payable by the  
14 taxpayer that were allocated in 1991 to the allocation area  
15 special fund under section 26 of this chapter.

16 (3) Before June 15, 1991, the fiscal officer of the consolidated  
17 city shall determine and certify an estimate of the aggregate  
18 amount of credits for 1990 taxes payable in 1991 if the full credits  
19 are granted.

20 (4) The fiscal officer of the consolidated city shall determine  
21 whether the granting of the full amounts of the credits for 1990  
22 taxes payable in 1991 against 1991 taxes payable in 1992 and the  
23 granting of credits under subsection (g) would impair any contract  
24 with or otherwise adversely affect the owners of outstanding  
25 bonds payable from the allocation area special fund for an  
26 allocation area described in subsection (g).

27 (5) If the fiscal officer of the consolidated city determines that  
28 there would not be an impairment or adverse effect under  
29 subdivision (4):

30 (A) the fiscal officer shall certify that determination; and

31 (B) the full credits shall be applied against 1991 taxes payable  
32 in 1992 or the amount of the credits shall be paid to the  
33 taxpayers as provided in subdivision (12), subject to the  
34 determinations and certifications made under section 26.7(b)  
35 of this chapter.

36 (6) If the fiscal officer of the consolidated city makes an adverse  
37 determination under subdivision (4), the fiscal officer shall  
38 determine whether there is an amount of partial credits for 1990  
39 taxes payable in 1991 that, if granted against 1991 taxes payable  
40 in 1992 in addition to granting of the credits under subsection (g),  
41 would not result in the impairment or adverse effect.

1 (7) If the fiscal officer of the consolidated city determines under  
2 subdivision (6) that there is an amount of partial credits that would  
3 not result in the impairment or adverse effect, the fiscal officer  
4 shall determine the amount of partial credits and certify that  
5 determination.

6 (8) If the fiscal officer of the consolidated city certifies under  
7 subdivision (7) that partial credits may be paid, the partial credits  
8 shall be applied pro rata among all affected taxpayers against 1991  
9 taxes payable in 1992.

10 (9) An affected taxpayer may appeal any of the following to the  
11 circuit or superior court of the county in which the allocation area  
12 is located:

13 (A) A determination by the fiscal officer of the consolidated  
14 city that:

15 (i) credits may not be paid for 1990 taxes payable in 1991;

16 or

17 (ii) only partial credits may be paid for 1990 taxes payable in  
18 1991.

19 (B) A failure by the fiscal officer of the consolidated city to  
20 make a determination by June 15, 1991, of whether credits are  
21 payable under this subsection.

22 (10) An appeal of a determination must be filed not later than thirty  
23 (30) days after the publication of the determination. Any such  
24 appeal shall be decided by the court within sixty (60) days.

25 (11) An appeal of a failure by the fiscal officer of the consolidated  
26 city to make a determination of whether credits are payable under  
27 this subsection must be filed by July 15, 1991. Any such appeal  
28 shall be decided by the court within sixty (60) days.

29 (12) If 1991 taxes payable in 1992 with respect to a parcel are  
30 billed to the same taxpayer to which 1990 taxes payable in 1991  
31 were billed, the county treasurer shall apply to the tax bill for 1991  
32 taxes payable in 1992 both the credit provided under subsection  
33 (g) and the credit provided under this subsection, along with any  
34 credit determined to be applicable to the tax bill under subsection  
35 (i). In the alternative, at the election of the county auditor, the  
36 county may pay to the taxpayer the amount of the credit by May  
37 10, 1992, and the amount shall be charged to the taxing units in  
38 which the allocation area is located in the proportion of the taxing  
39 units' respective tax rates for 1990 taxes payable in 1991.

40 (13) If 1991 taxes payable in 1992 with respect to a parcel are  
41 billed to a taxpayer other than the taxpayer to which 1990 taxes

1 payable in 1991 were billed, the county treasurer shall do the  
2 following:

3 (A) Apply only the credits under subsections (g) and (i) to the  
4 tax bill for 1991 taxes payable in 1992.

5 (B) Give notice by June 30, 1991, by publication two (2) times  
6 in three (3) newspapers in the county with the largest  
7 circulation of the availability of a refund of the credit under this  
8 subsection.

9 A taxpayer entitled to a credit must file an application for refund  
10 of the credit with the county auditor not later than November 30,  
11 1991.

12 (14) A taxpayer who files an application by November 30, 1991,  
13 is entitled to payment from the county treasurer in an amount that  
14 is in the same proportion to the credit provided under this  
15 subsection with respect to a parcel as the amount of 1990 taxes  
16 payable in 1991 paid by the taxpayer with respect to the parcel  
17 bears to the 1990 taxes payable in 1991 with respect to the parcel.  
18 This amount shall be paid to the taxpayer by May 10, 1992, and  
19 shall be charged to the taxing units in which the allocation area is  
20 located in the proportion of the taxing units' respective tax rates  
21 for 1990 taxes payable in 1991.

22 (i) This subsection applies to an allocation area if allocated taxes  
23 from that area were pledged to bonds, leases, or other obligations of the  
24 commission before May 8, 1989. The following apply to the credit  
25 granted under this subsection:

26 (1) A prior year credit is applicable to property taxes first due and  
27 payable in each year from 1987 through 1990 (the "prior years").

28 (2) The credit for each prior year is equal to:

29 (A) the amount of the quotient determined under STEP TWO  
30 of subsection (e) for the prior year; multiplied by

31 (B) the total amount of the property taxes paid by the taxpayer  
32 that were allocated in the prior year to the allocation area  
33 special fund under section 26 of this chapter.

34 (3) Before January 31, 1992, the county auditor shall determine  
35 the amount of credits under subdivision (2) with respect to each  
36 parcel in the allocation area for all prior years with respect to  
37 which:

38 (A) taxes were billed to the same taxpayer for taxes payable in  
39 each year from 1987 through 1991; or

40 (B) an application was filed by November 30, 1991, under  
41 subdivision (8) for refund of the credits for prior years.

1 A report of the determination by parcel shall be sent by the county  
2 auditor to the department of local government finance and the  
3 budget agency within five (5) days of such determination.

4 (4) Before January 31, 1992, the county auditor shall determine  
5 the quotient of the amounts determined under subdivision (3) with  
6 respect to each parcel divided by six (6).

7 (5) Before January 31, 1992, the county auditor shall determine  
8 the quotient of the aggregate amounts determined under  
9 subdivision (3) with respect to all parcels divided by twelve (12).

10 (6) Except as provided in subdivisions (7) and (9), in each year in  
11 which credits from prior years remain unpaid, credits for the prior  
12 years in the amounts determined under subdivision (4) shall be  
13 applied as provided in this subsection.

14 (7) If taxes payable in the current year with respect to a parcel are  
15 billed to the same taxpayer to which taxes payable in all of the  
16 prior years were billed and if the amount determined under  
17 subdivision (3) with respect to the parcel is at least five hundred  
18 dollars (\$500), the county treasurer shall apply the credits  
19 provided for the current year under subsections (g) and (h) and  
20 the credit in the amount determined under subdivision (4) to the  
21 tax bill for taxes payable in the current year. However, if the  
22 amount determined under subdivision (3) with respect to the  
23 parcel is less than five hundred dollars (\$500) (referred to in this  
24 subdivision as "small claims"), the county may, at the election of  
25 the county auditor, either apply a credit in the amount determined  
26 under subdivision (3) or (4) to the tax bill for taxes payable in the  
27 current year or pay either amount to the taxpayer. If title to a  
28 parcel transfers in a year in which a credit under this subsection  
29 is applied to the tax bill, the transferor may file an application with  
30 the county auditor within thirty (30) days of the date of the  
31 transfer of title to the parcel for payments to the transferor at the  
32 same times and in the same amounts that would have been allowed  
33 as credits to the transferor under this subsection if there had not  
34 been a transfer. If a determination is made by the county auditor  
35 to refund or credit small claims in the amounts determined under  
36 subdivision (3) in 1992, the county auditor may make appropriate  
37 adjustments to the credits applied with respect to other parcels so  
38 that the total refunds and credits in any year will not exceed the  
39 payments made from the state property tax replacement fund to  
40 the prior year credit fund referred to in subdivision (11) in that  
41 year.



1 (8) If taxes payable in the current year with respect to a parcel are  
2 billed to a taxpayer that is not a taxpayer to which taxes payable  
3 in all of the prior years were billed, the county treasurer shall do  
4 the following:

5 (A) Apply only the credits under subsections (g) and (h) to the  
6 tax bill for taxes payable in the current year.

7 (B) Give notice by June 30, 1991, by publication two (2) times  
8 in three (3) newspapers in the county with the largest  
9 circulation of the availability of a refund of the credit.

10 A taxpayer entitled to the credit must file an application for refund  
11 of the credit with the county auditor not later than November 30,  
12 1991. A refund shall be paid to an eligible applicant by May 10,  
13 1992.

14 (9) A taxpayer who filed an application by November 30, 1991, is  
15 entitled to payment from the county treasurer under subdivision  
16 (8) in an amount that is in the same proportion to the credit  
17 determined under subdivision (3) with respect to a parcel as the  
18 amount of taxes payable in the prior years paid by the taxpayer  
19 with respect to the parcel bears to the taxes payable in the prior  
20 years with respect to the parcel.

21 (10) In each year on May 1 and November 1, the state shall pay  
22 to the county treasurer from the state property tax replacement  
23 fund the amount determined under subdivision (5).

24 (11) All payments received from the state under subdivision (10)  
25 shall be deposited into a special fund to be known as the prior year  
26 credit fund. The prior year credit fund shall be used to make:

27 (A) payments under subdivisions (7) and (9); and

28 (B) deposits into the special fund for the application of prior  
29 year credits.

30 (12) All amounts paid into the special fund for the allocation area  
31 under subdivision (11) are subject to any pledge of allocated  
32 property tax proceeds made by the redevelopment district under  
33 section 26(d) of this chapter, including but not limited to any  
34 pledge made to owners of outstanding bonds of the redevelopment  
35 district of allocated taxes from that area.

36 (13) By January 15, 1993, and by January 15 of each year  
37 thereafter, the county auditor shall send to the department of local  
38 government finance and the budget agency a report of the  
39 receipts, earnings, and disbursements of the prior year credit fund  
40 for the prior calendar year. If in the final year that credits under  
41 subsection (i) are allowed any balance remains in the prior year

credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

**(j) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).**

SECTION 68. IC 36-7-15.1-35, AS AMENDED BY P.L.192-2002(ss), SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

- (1) The construction, rehabilitation, or repair of residential units within the allocation area.
- (2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.
- (3) The acquisition of real property and interests in real property

1 within the allocation area.

2 (4) The demolition of real property within the allocation area.

3 (5) To provide financial assistance to enable individuals and  
4 families to purchase or lease residential units within the allocation  
5 area. However, financial assistance may be provided only to those  
6 individuals and families whose income is at or below the county's  
7 median income for individuals and families, respectively.

8 (6) To provide financial assistance to neighborhood development  
9 corporations to permit them to provide financial assistance for the  
10 purposes described in subdivision (5).

11 (7) To provide each taxpayer in the allocation area a credit for  
12 property tax replacement as determined under subsections (c) and  
13 (d). However, this credit may be provided by the commission only  
14 if the city-county legislative body establishes the credit by  
15 ordinance adopted in the year before the year in which the credit  
16 is provided.

17 (c) The maximum credit that may be provided under subsection  
18 (b)(7) to a taxpayer in a taxing district that contains all or part of an  
19 allocation area established for a program adopted under section 32 of  
20 this chapter shall be determined as follows:

21 STEP ONE: Determine that part of the sum of the amounts  
22 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)  
23 through IC 6-1.1-21-2(g)(5) that is attributable to the taxing  
24 district.

25 STEP TWO: Divide:

26 (A) that part of each county's eligible property tax replacement  
27 amount (as defined in IC 6-1.1-21-2) for that year as  
28 determined under IC 6-1.1-21-4(a)(1) that is attributable to the  
29 taxing district; by

30 (B) the amount determined under STEP ONE.

31 STEP THREE: Multiply:

32 (A) the STEP TWO quotient; by

33 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in  
34 the taxing district allocated to the allocation fund, including the  
35 amount that would have been allocated but for the credit.

36 (d) **Except as provided in subsection (g)**, the commission may  
37 determine to grant to taxpayers in an allocation area from its allocation  
38 fund a credit under this section, as calculated under subsection (c), by  
39 applying one-half (1/2) of the credit to each installment of taxes (as  
40 defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable  
41 ~~on~~ in May + and November + of a year. **Except as provided in**

**subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2).** The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 17.1 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 26(b) of this chapter, the special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

(2) Reimburse the consolidated city for expenditures made by the city in order to accomplish the housing program in that allocation area.

The special fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the special fund established under section 26(b) of this chapter for an allocation area for a program adopted under section 32 of this chapter, do the following before July 15 of each year:

(1) Determine the amount, if any, by which property taxes payable to the allocation fund in the following year will exceed the amount of property taxes necessary:

(A) to make, when due, principal and interest payments on bonds described in section 26(b)(2) of this chapter;

(B) to pay the amount necessary for other purposes described in section 26(b)(2) of this chapter; and

(C) to reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

**(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).**

SECTION 69. IC 36-7-15.1-56, AS AMENDED BY P.L.192-2002(ss), SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) **and except as provided in subsection (h)**, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (h)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

1 (B) the STEP ONE sum.

2 STEP THREE: Multiply:

3 (A) the STEP TWO quotient; times

4 (B) the total amount of the taxpayer's taxes (as defined in  
5 IC 6-1.1-21-2) levied in the taxing district that would have  
6 been allocated to an allocation fund under section 53 of this  
7 chapter had the additional credit described in this section not  
8 been given.

9 The additional credit reduces the amount of proceeds allocated to the  
10 development district and paid into an allocation fund under section  
11 53(b)(2) of this chapter.

12 (d) If the additional credit under subsection (c) is not reduced under  
13 subsection (e) or (f), the credit for property tax replacement under  
14 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be  
15 computed on an aggregate basis for all taxpayers in a taxing district that  
16 contains all or part of an allocation area. The credit for property tax  
17 replacement under IC 6-1.1-21-5 and the additional credit under  
18 subsection (c) shall be combined on the tax statements sent to each  
19 taxpayer.

20 (e) Upon the recommendation of the commission, the excluded city  
21 legislative body may, by resolution, provide that the additional credit  
22 described in subsection (c):

23 (1) does not apply in a specified allocation area; or

24 (2) is to be reduced by a uniform percentage for all taxpayers in  
25 a specified allocation area.

26 (f) Whenever the excluded city legislative body determines that  
27 granting the full additional credit under subsection (c) would adversely  
28 affect the interests of the holders of bonds or other contractual  
29 obligations that are payable from allocated tax proceeds in that allocation  
30 area in a way that would create a reasonable expectation that those  
31 bonds or other contractual obligations would not be paid when due, the  
32 excluded city legislative body must adopt a resolution under subsection  
33 (e) to deny the additional credit or reduce it to a level that creates a  
34 reasonable expectation that the bonds or other obligations will be paid  
35 when due. A resolution adopted under subsection (e) denies or reduces  
36 the additional credit for property taxes first due and payable in the  
37 allocation area in any year following the year in which the resolution is  
38 adopted.

39 (g) A resolution adopted under subsection (e) remains in effect until  
40 it is rescinded by the body that originally adopted it. However, a  
41 resolution may not be rescinded if the rescission would adversely affect

the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

**(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).**

SECTION 70. IC 36-7-30-27, AS AMENDED BY P.L. 192-2002(ss), SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 27. (a) As used in this section, "allocation area" has the meaning set forth in section 25 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) **and except as provided in subsection (h)**, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (h)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement

amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 25 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the military base reuse district and paid into an allocation fund under section 25(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the reuse authority, the municipal legislative body (in the case of a reuse authority established by a municipality) or the county executive (in the case of a reuse authority established by a county) may by resolution provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) If the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce the credit to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property



taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until rescinded by the body that originally adopted the resolution. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

**(h) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).**

SECTION 71. [EFFECTIVE UPON PASSAGE] (a) For purposes of this SECTION, "benefit" means:

(1) a credit under IC 6-1.1-20.9; or

(2) a deduction under any of the following:

IC 6-1.1-12-1

IC 6-1.1-12-9, as amended by this act

IC 6-1.1-12-11

IC 6-1.1-12-13

IC 6-1.1-12-14

IC 6-1.1-12-16

IC 6-1.1-12-17.4.

**(b) This SECTION applies to an individual who, with respect to a real property parcel:**

**(1) did not receive a benefit for property taxes first due and payable in 2003;**

1 (2) met the eligibility criteria for the benefit under a section  
 2 referred to in subsection (a) for property taxes first due and  
 3 payable in 2004; and

4 (3) did not file a timely application as required by law for the  
 5 benefit for property taxes first due and payable in 2004.

6 (c) Except as provided in subsection (d), an individual may:

7 (1) claim a benefit referred to in subsection (a)(1) by meeting  
 8 the filing requirements of IC 6-1.1-20.9; and

9 (2) claim a benefit referred to in subsection (a)(2) by meeting  
 10 the filing requirements of IC 6-1.1-12.

11 (d) The filing requirements for a benefit under this SECTION  
 12 must be met on or before December 15, 2003.

13 (e) The department of local government finance shall:

14 (1) prescribe forms; or

15 (2) issue instructions for the use of existing forms;

16 for filing a claim under subsection (c).

17 (f) The county auditor shall determine the individual's  
 18 eligibility for a benefit under this SECTION. If the county auditor  
 19 determines that an individual is eligible for a benefit under this  
 20 SECTION for a parcel, the county auditor shall:

21 (1) apply the benefit with respect to taxes first due and  
 22 payable in 2004 for the parcel; and

23 (2) before January 1, 2004:

24 (A) send to the department of local government finance a  
 25 revised certification under IC 6-1.1-17-1(a) for the county  
 26 that reflects:

27 (i) the benefits applied under this SECTION; and

28 (ii) deductions under IC 6-1.1-12-37 applied as described  
 29 in subsection (j); and

30 (B) certify to the department of local government finance  
 31 the amount of homestead credits allowed in the county  
 32 under this SECTION for property taxes first due and  
 33 payable in 2004.

34 (g) The department of local government finance shall use the  
 35 revised certifications received under subsection (f)(2)(A) in the  
 36 department's determination of tax rates under IC 6-1.1-17-16 for  
 37 taxes first due and payable in 2004. Notwithstanding  
 38 IC 6-1.1-17-16(d), the department of local government finance  
 39 may increase a political subdivision's tax rate to an amount that

1 exceeds the amount originally fixed by the political subdivision  
 2 based on the revised certification received under subsection  
 3 (f)(2)(A).

4 (h) Before March 15, 2004, the auditor of state shall certify the  
 5 amount of homestead credits referred to in subsection (f)(2)(B) to  
 6 the department of state revenue. For property taxes first due and  
 7 payable in 2004, the department of state revenue shall allocate  
 8 under IC 6-1.1-21-4 from the property tax replacement fund an  
 9 additional amount equal to the total amount of homestead credits  
 10 allowed under this SECTION for property taxes first due and  
 11 payable in 2004. The department of state revenue shall distribute  
 12 the amount allocated under this subsection in the same manner  
 13 that other property tax replacement fund distributions are made  
 14 in 2004.

15 (i) A statement filed under this SECTION to obtain a benefit  
 16 for property taxes first due and payable in 2004 applies for that  
 17 year and any succeeding year for which the benefit is allowed.

18 (j) Each year a person who is entitled under this SECTION to  
 19 receive the homestead credit under IC 6-1.1-20.9 for property  
 20 taxes first due and payable in 2004 is entitled for that year to the  
 21 deduction under IC 6-1.1-12-37 from the assessed value of the  
 22 real property that qualifies for the homestead credit.

23 SECTION 72. [EFFECTIVE UPON PASSAGE] Any action taken  
 24 by the department of local government finance before January 1,  
 25 2004, to:

- 26 (1) allow a taxpayer to file a petition under
- 27 IC 6-1.1-15-1(b)(1) more than forty-five (45) days after
- 28 notice of a change in the assessment is given to the taxpayer;
- 29 (2) allow the payment of property taxes in installments other
- 30 than the installments prescribed in IC 6-1.1-22-9(a); or
- 31 (3) waive all or part of a penalty under IC 6-1.1-37-10 of this
- 32 chapter;

33 is legalized and validated.

34 SECTION 73. [EFFECTIVE UPON PASSAGE] (a) As used in this  
 35 SECTION, "department" refers to the department of local  
 36 government finance.

37 (b) The department shall study the feasibility of creating  
 38 uniform and common computer software programs for property  
 39 tax assessment purposes, including computer software programs

1 that allow the sharing and transfer of assessment data in a  
2 uniform format by the state and all counties.

3 (c) The department shall report the results of the study  
4 required by subsection (b) to the commission on state tax and  
5 financing policy before September 1, 2004.

6 (d) Upon approval of the governor, the budget agency may  
7 authorize the payment of expenses incurred by the department in  
8 conducting the study required by subsection (b) from amounts  
9 allotted from the departmental and institutional emergency  
10 contingency fund.

11 (e) This SECTION expires January 1, 2005.

12 SECTION 74. [EFFECTIVE UPON PASSAGE] IC 6-1.1-15-11, as  
13 amended by this act, applies only to refunds that result from  
14 assessment reductions for which notice is given to the taxpayer  
15 after December 31, 2003.

16 SECTION 75. [EFFECTIVE JULY 1, 2004] IC 6-1.1-17-20, as  
17 amended by this act, applies only to property taxes first due and  
18 payable after December 31, 2004.

19 SECTION 76. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-1, as  
20 amended by this act, applies to property taxes first due and  
21 payable after December 31, 2003.

22 SECTION 77. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-13  
23 and IC 6-1.1-21-2, both as amended by this act, apply only to  
24 property taxes first due and payable after December 31, 2003.

25 SECTION 78. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-17  
26 and IC 6-1.1-19-1.7, both as amended by this act, apply only to  
27 property taxes first due and payable after December 31, 2003.

28 SECTION 79. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-16,  
29 IC 6-1.1-19-1.5, IC 6-1.1-19-4.7, IC 20-5.5-7-3, and  
30 IC 21-3-1.7-6.8, all as added by this act, apply to property taxes  
31 first due and payable after December 31, 2003.

32 SECTION 80. [EFFECTIVE JULY 1, 2004] An elected county  
33 assessor, township assessor, or township trustee-assessor is  
34 required to comply with IC 6-1.1-35-1.1, as amended by this act,  
35 only if the assessor or trustee-assessor is elected to a new term of  
36 office that begins after June 30, 2004.

37 SECTION 81. [EFFECTIVE MAY 10, 2003 (RETROACTIVE)] (a)  
38 The definitions in IC 6-1.1-1 apply throughout this SECTION.

39 (b) Except as provided in subsection (c), a review of an

1 assessment of real property for the 2003 assessment date initiated  
 2 by a taxpayer after May 10, 2003, and not later than forty-five (45)  
 3 days after the taxpayer receives a tax statement for the property  
 4 taxes that are based on the assessment of the real property for  
 5 the 2002 assessment date, is valid if:

6 (1) the review:

7 (A) was initiated before the date of passage of this act;  
 8 and

9 (B) complied with IC 6-1.1-15-1, as in effect before the  
 10 amendments made by this act; or

11 (2) the review;

12 (A) is initiated after the date of passage of this act; and

13 (B) complies with IC 6-1.1-15-1, as amended by this act;  
 14 other than the requirement for initiating the review not later than  
 15 May 10, 2003.

16 (c) Subsection (b) does not apply if a notice of a change of  
 17 assessment for the real property for the 2003 assessment date is  
 18 given to the taxpayer. In this case, the taxpayer may initiate a  
 19 review of the 2003 assessment of the real property by complying  
 20 with IC 6-1.1-15-1, as in effect on the date the notice is given.

21 (d) Except as provided in subsection (e), a review of an  
 22 assessment of real property for the 2004 assessment date initiated  
 23 by a taxpayer after May 10, 2004, and not later than forty-five (45)  
 24 days after the taxpayer receives a tax statement for the property  
 25 taxes that are based on the assessment of the real property for  
 26 the 2003 assessment date is valid if the review complies with  
 27 IC 6-1.1-15-1, as amended by this act, other than the requirement  
 28 for initiating the review not later than May 10, 2004.

29 (e) Subsection (d) does not apply if a notice of a change of  
 30 assessment for the real property for the 2004 assessment date is  
 31 given to the taxpayer. In this case, the taxpayer may initiate a  
 32 review of the 2004 assessment of the real property by complying  
 33 with IC 6-1.1-15-1, as amended by this act.

34 SECTION 82. [EFFECTIVE UPON PASSAGE] (a) For property  
 35 taxes first due and payable in 2004 with respect to a homestead (as  
 36 defined in IC 6-1.1-20.9-1):

37 (1) a county treasurer who mails a property tax statement  
 38 under IC 6-1.1-22-8(a)(1) shall include in or mail with the  
 39 statement; and

(2) a county treasurer who transmits a statement to a person's mortgagee under IC 6-1.1-22-8(a)(2) shall, at the time the county treasurer mails statements under IC 6-1.1-22-8(a)(1), mail or cause to be mailed to the last known address of the person;

a statement in the form determined by the department of local government finance under subsection (b). A statement mailed to a person described in subdivision (2) need not be transmitted to the person's mortgagee.

(b) Not later than ten (10) days after the department of local government finance certifies to a county under IC 6-1.1-17-16 its action on the county's tax rate and tax levy for property taxes first due and payable in 2004, the department shall determine and provide to the county treasurer the wording of a statement concerning property taxes on homesteads in the county, which must be in the following or a substantially similar form, as determined by the department:

"Your assessing officials completed a general reassessment of all real property in the county first effective for property taxes payable in 2003. The reassessment was necessary to comply with Indiana law. The Indiana General Assembly has increased the property tax replacement credit and made other changes to the property tax system to substantially reduce the effects that this reassessment may have on your property tax liability. If the Indiana General Assembly had not taken these actions, the average 2004 property tax bill for homeowners in \_\_\_\_\_ County would be approximately \_\_\_\_\_ percent (\_\_\_%) greater."

The county treasurer is responsible for the preparation and mailing of the statement in the manner provided by subsection (a).

(c) This SECTION expires July 1, 2005.

SECTION 83. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) The department of local government finance may adopt temporary rules in the manner provided for the adoption of emergency rules under IC 4-22-2-37.1 to implement the following:

(1) IC 6-1.1-4-39.

(2) IC 6-1.1-31-3.

1           **(3) IC 6-1.1-31-6.**

2           **(4) IC 6-1.1-31-7.**

3           **(c) A temporary rule adopted under this SECTION expires on**  
4 **the earlier of the following:**

5           **(1) The date that another temporary rule is adopted under**  
6 **this SECTION or a permanent rule is adopted under**  
7 **IC 4-22-2 to supersede the temporary rule.**

8           **(2) December 31, 2005.**

9           SECTION 84. [EFFECTIVE UPON PASSAGE] **(a) The**  
10 **department of local government finance may not prescribe a form**  
11 **for taxpayers to request a preliminary conference under**  
12 **IC 6-1.1-15-1, as amended by this act. Any written document**  
13 **containing the information specified in IC 6-1.1-15-1(b), as**  
14 **amended by this act, is sufficient to initiate a preliminary**  
15 **conference under this act.**

16           **(b) The department of local government finance may modify**  
17 **the form known as the "Form 130" to enable township assessors**  
18 **and taxpayers to report the results of preliminary conferences**  
19 **held under IC 6-1.1-15-1, as amended by this act, to the**  
20 **appropriate county property tax assessment board of appeals.**

21           **(c) The department of local government finance may not**  
22 **prescribe a form for taxpayers to request a hearing before the**  
23 **county property tax assessment board of appeals under**  
24 **IC 6-1.1-15-1(j), as added by this act. Any written document**  
25 **requesting the hearing is sufficient.**

26           **(d) The following provisions apply to a taxpayer who, before the**  
27 **effective date of this act, filed a petition for review of an**  
28 **assessment determination by a township assessor in the manner**  
29 **provided by IC 6-1.1-15-1, as in effect before the effective date of**  
30 **this act:**

31           **(1) The taxpayer is not required to file a request for a**  
32 **preliminary conference with the township assessor.**

33           **(2) The provisions of IC 6-1.1-15-1, as in effect before the**  
34 **effective date of this act, with respect to a preliminary**  
35 **conference with the township assessor and a hearing before**  
36 **the county property tax assessment board of appeals apply to**  
37 **the taxpayer's petition.**

38           SECTION 85. [EFFECTIVE UPON PASSAGE] **(a) The**  
39 **commission on state tax and financing policy established under**

1 **IC 2-5-3 shall study:**

2 **(1) the elimination of property taxes as a source of funding**  
 3 **for local government services other than:**

4 **(A) police and fire protection; and**

5 **(B) public health purposes; and**

6 **(2) alternative sources of revenue that might be used to**  
 7 **replace the property taxes described in subdivision (1).**

8 **The commission shall complete its study not later than December**  
 9 **31, 2005.**

10 **(b) This SECTION expires July 1, 2006.**

11 **SECTION 86. [EFFECTIVE JANUARY 1, 2004] There is**  
 12 **appropriated to the department of local government finance an**  
 13 **amount sufficient from the assessment training fund established**  
 14 **by IC 6-1.1-5.5-4.7, as amended by this act, to carry out the**  
 15 **purposes set forth in IC 6-1.1-5.5-4.7, as amended by this act,**  
 16 **beginning January 1, 2004, and ending June 30, 2005.**

17 **SECTION 87. [EFFECTIVE MARCH 1, 2004] (a) The definitions**  
 18 **set forth in IC 6-1.1-20 apply throughout this SECTION.**

19 **(b) The following provisions apply to a controlled project for**  
 20 **which a notice of preliminary determination to issue bonds or**  
 21 **enter into a lease was published before March 1, 2004:**

22 **(1) The amendments made by IC 6-1.1-20-3.1 and**  
 23 **IC 6-1.1-20-3.2, and by IC 6-1.1-20-10, as added by this act,**  
 24 **do not apply to:**

25 **(A) a petition requesting the application of the petition**  
 26 **and remonstrance process to the controlled project; or**

27 **(B) a petition or remonstrance concerning the controlled**  
 28 **project.**

29 **(2) IC 6-1.1-20-3.1 and IC 6-1.1-20-3.2, both as in effect**  
 30 **before March 1, 2004, apply to:**

31 **(A) a petition requesting the application of the petition**  
 32 **and remonstrance process to the controlled project; or**

33 **(B) a petition or remonstrance concerning the controlled**  
 34 **project.**

35 **SECTION 88. [EFFECTIVE JANUARY 1, 2004] (a) The**  
 36 **definitions set forth in IC 6-1.1-1 and IC 6-3-1 apply throughout**  
 37 **this SECTION.**

38 **(b) As used in this SECTION, "deferred property tax**  
 39 **payments" means property taxes imposed on an individual's**



1     **principal place of residence for the March 1, 2002, assessment**  
 2     **date or the January 15, 2003, assessment that are paid during**  
 3     **calendar year 2004.**

4     **(c) An individual who pays deferred property tax payments**  
 5     **during a taxable year is entitled to a deduction from adjusted**  
 6     **gross income for those payments. The amount of the deduction is**  
 7     **the lesser of:**

8         **(1) the amount of deferred property payments paid by the**  
 9         **individual during the taxable year; or**

10        **(2) two thousand five hundred dollars (\$2,500) minus the**  
 11        **amount of the deduction, if any, claimed by the individual for**  
 12        **the preceding taxable year under IC 6-3-1-3.5(a)(17) for**  
 13        **property taxes actually paid by the individual during calendar**  
 14        **year 2003.**

15        **(d) The deduction provided by this SECTION is in addition to**  
 16        **the deduction provided by IC 6-3-1-3.5(a)(17) for other property**  
 17        **taxes paid during the same taxable year.**

18        **SECTION 89. An emergency is declared for this act.**

(Reference is to HB 1001 as reprinted November 24, 2003.)

**and when so amended that said bill do pass .**

Committee Vote: Yeas 12, Nays 3.

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**Senator Borst, Chairperson**